department of agriculture

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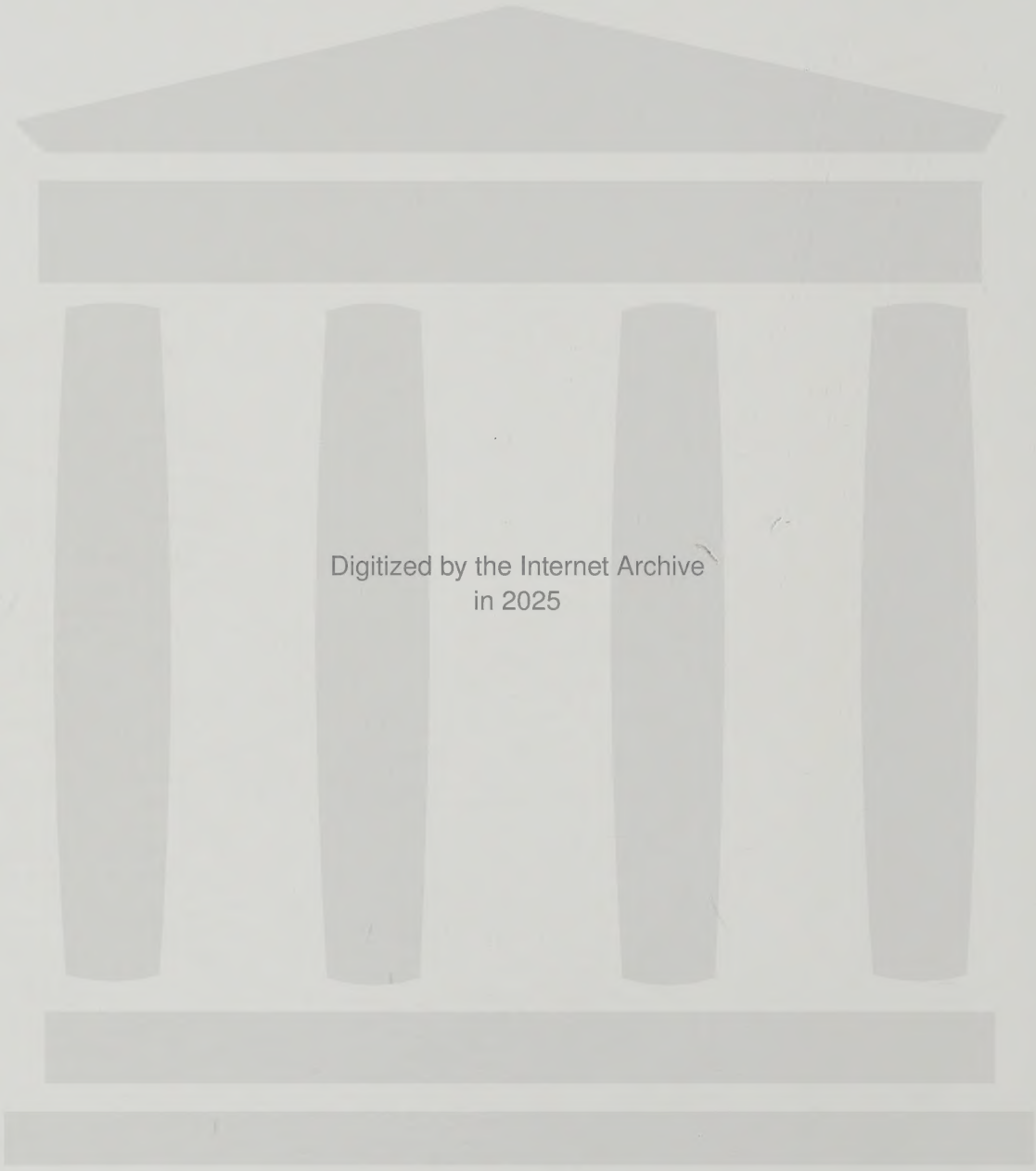
# annual report

2003/04



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department of agriculture

# annual report

# 2003/04

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# foreword by the minister

thoko didiza

In celebrating the milestone of ten years of democracy in our country, we look back at the achievements of the past decade. We have seen tremendous leaps towards realising our dream of becoming a united and prosperous agricultural sector.

In 1994 the agricultural sector did not reflect the demography of our society. The industry was highly regulated, with subsidies and financial concessions available to commercial farmers, often at high cost to government. Protectionist policies and barriers to entry distorted the potential of the agricultural sector.

The White Paper on Agriculture, published in 1995, paved the way for the department's reconstruction and development programme, Broadening Access to Agriculture Thrust (BATAT). Subsequently, we initiated a progressive agricultural marketing reform process aimed at transforming agricultural marketing from a highly regulated to an essentially free dispensation.

The marketing changes had positive outcomes for domestic and export markets. Trade opportunities and the international demand for our products have increased, paving the way for a more diverse range of products to be sold into a more diverse range of markets. The agricultural export performance of the country attests to the success that has been achieved. South African agriculture also had to be reintegrated into the international arena. The country joined international organisations to which it did not have access during the apartheid era, making it part of the international agricultural science and trading communities. South Africa now plays a major role in these organisations.

Over the past five to eight years the provision of agricultural financial services underwent fundamental changes. This ongoing process resulted in increasing competition among providers of agricultural financial services. The process of developing an agricultural financial services charter, which is also intended to complement government's efforts to create an enabling environment for access to finance for farmers, especially beneficiaries of the state-driven land restitution, redistribution and tenure reform programmes, will remain a priority.

One of the most important developments of the past three years was the finalisation of the strategic plan for South African agriculture. The plan unites the sector around a prosperous future and challenges us to institute public-private partnerships in the area of research and development. In response to the second imperative of the sector plan, the objective of equitable participation in the sector, the department developed a policy framework for Black Economic Empowerment, called AgriBEE. Bold initiatives have been taken to empower black participants in the cotton, wine, sugar and red meat industries. By means of a consultative process involving government and industry stakeholders, commodity action plans were developed for these sectors, with the first empowerment strategy being finalised with the South African Cotton Industry.

Food security challenges continue to abound, leading us to implement the Integrated Food Security and Nutrition Programme. The department has taken the lead in ensuring its implementation and will now take it forward with phase one of the Special Programme for Food Security (SPFS).

The main challenge facing the department over the next three years will be the implementation of the Comprehensive Agriculture Support Programme (CASP). The programme addresses socio-economic development, thereby focusing on support to beneficiaries of land reform who are in predominantly rural development nodes, where agricultural land is available.

Agriculture remains an important sector for our country's prosperity, in terms of both economic growth and poverty alleviation. It has become the most vital and strategic trading tool that, if used correctly, could lead to economic prosperity and the realisation of the 2015 millennium development goal of reducing food insecurity in Africa.

T. A. Didiza

Ms Thoko A. Didiza (MP)
MINISTER FOR AGRICULTURE AND LAND AFFAIRS

**THE HONOURABLE MINISTER FOR AGRICULTURE AND LAND AFFAIRS**

**ms thoko didiza**

Dear Minister

I have the pleasure of presenting the Annual Report of the Department of Agriculture for the period 1 April 2003 to 31 March 2004.

**ms bongiwe njobe**

**DIRECTOR-GENERAL, DEPARTMENT OF AGRICULTURE**

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# acronyms

| | |
|---|---|
| AFMA | Animal Feed Manufacturing Association |
| AGIS | Agricultural Georeferenced Information System |
| AgriBEE | Agricultural Black Economic Empowerment |
| AI | Artificial insemination |
| APHIS | Animal and Plant Inspection Service |
| ARC | Agricultural Research Council |
| BEE | Black Economic Empowerment |
| BMCF | Bovine malignant catarrhal fever |
| BSE | Bovine spongiform encephalopathy |
| CAADP | Comprehensive African Agricultural Development Programme |
| CASP | Comprehensive Agriculture Support Programme |
| CBD | Convention on Biological Diversity |
| CCD | Convention to Combat Desertification |
| CGIAR | Consultative Group on International Agricultural Research |
| CSIR | Council for Science and Industrial Research |
| CTP/HEQC | Committee of Technikon Principals/Higher Education Qualifications Committee |
| DEAT | Department of Environmental Affairs and Tourism |
| DEXCO | Departmental Executive Committee |
| ELISA | Enzyme-linked Immunosorbant Assay |
| EU | European Union |
| FACT | Farm Animal Conservation Trust |
| FANR | Food, Agriculture and Natural Resources (SADC programme) |
| FAO | Food and Agriculture Organization of the United Nations |
| FARA | Forum for Agricultural Research in Africa |
| FIVIMS | Food Insecurity and Vulnerability Information Management System |
| GCIS | Government Communication and Information System |
| GIS | Geographic Information System |
| HSRC | Human Sciences Research Council |
| IDP | Integrated Development Plan Project |
| IFSNP | Integrated Food Security and Nutrition Programme |
| INTERGIS | Integrated Registration and Genetic Information System |
| IPPC | International Plant Protection Convention |
| ISNAR | International Service for National Agricultural Research |
| ISRDP | Integrated Sustainable Rural Development Programme |
| ISTA | International Seed Testing Association |
| ITCA | Intergovernmental Technical Committee on Agriculture |
| KNP | Kruger National Park |
| LRAD | Land Redistribution for Agricultural Development |
| MODIS | Moderate Resolution Imaging Spectroradiometer |
| NAFU | National African Farmers' Union |
| NAMC | National Agricultural Marketing Council |
| NARF | National Agricultural Research Forum |
| NEPAD | New Partnership for Africa's Development |
| NPPO | National Plant Protection Organisation |
| NWGA | National Wool Growers' Association |
| OIV | International Wine Office |
| OVI | Onderstepoort Veterinary Institute |
| PDA | Provincial Department of Agriculture |
| R&D | Research and Development |
| SACU | Southern African Customs Union |
| SADC | Southern African Development Community |
| SANDF | South African National Defence Force |
| SANAS | South African National Accreditation System |
| SANParks | South African National Parks |
| SPFS | Special Programme for Food Security |
| UN | United Nations |
| UPOV | International Union for the Protection of New Varieties |
| URP | Urban Renewal Programme |
| USDA | United States Department of Agriculture |
| WOCAT | World Overview of Conservation Approaches and Technologies |
| WSSD | World Summit on Sustainable Development |
| WTO | World Trade Organisation |

# general information

# overview by director-general

bongiwe njobe

## INTRODUCTION

As we celebrate our first ten years of democracy we also reflect on the achievements and successes of our department over this decade. Historically the department rendered services to a relatively small number of well-resourced commercial farmers and was not inclusive at all. We were also faced with the enormous challenge of addressing poverty, landlessness and a general skewed participation of black people, youth and women in the sector.

## ACHIEVEMENTS SINCE 1994

In 1994, government introduced the reconstruction and development programme with the aim of creating a strong and balanced economy, address structural problems in the industry, trade, commerce, mining, agriculture, finance and labour markets, while ensuring the elimination of poverty, low wages and extreme inequalities created by the apartheid system.

The *White Paper on Agriculture* published in 1995, formed the basis for the development of the department's reconstruction and development programme, BATAT. This thrust was specifically targeted at providing services to resource-poor, previously disadvantaged and prospective farmers. The aim of BATAT was to broaden access to agriculture at community level in the provinces, through five focus areas. The focus areas were financial services, human resources development, technology development, delivery systems and efficient marketing systems.

As a result of political and administrative changes, one national and nine provincial departments of agriculture were established, in line with the requirements of the Constitution. The role of the national department was redefined as focusing on policy, regulatory, monitoring and co-ordination services aimed at improving competitiveness and equity in agriculture.

### Agricultural marketing reform

Since 1997 a progressive marketing reform process aimed at deregulation was initiated to transform marketing from a highly regulated to a basically free dispensation. Additionally, the reform process aimed to meet the objectives of market access for all market participants, efficiency, optimisation of export earnings and the enhancement of viability of the overall agricultural sector value chains.

Since then, there has been a significant positive response to deregulation by all parties concerned, along the marketing chains for most commodities. Deregulation created many opportunities and resulted in a phenomenal increase in the number of new entrepreneurs participating in different nodes of agricultural marketing value chains.

### International trade

South Africa's entry into the international arena has been an area of tremendous change. In line with domestic liberalisation policies and export promotion strategies, South Africa has become an active member in international trade and a member of various international organisations.

South Africa hosted the mid-term meeting of the Consultative Group on International Agricultural Research (CGIAR) in Durban in 2001 and the World Summit on Sustainable Development in Johannesburg in 2002. In March 2004, South Africa hosted the Food and Agriculture Organization's (FAO) regional conference for Africa. Within Africa, South Africa is also playing a leading role through NEPAD and organisations such as the Forum for Agricultural Research in Africa (FARA). The department also plays a leading role in negotiations with the World Trade Organisation (WTO) on agricultural matters.

The agricultural trade agenda has been consolidated by the conclusion of an agricultural trade strategy during the year under review. This strategy guides the development of negotiating positions for multilateral and bilateral trade negotiations, for example applying the principle of not negotiating tariff reductions on products subject to distorting subsidies by trading partners. Departmental positions were developed for the WTO, the Southern African Customs Union (SACU)/USA, the SACU/European Free Trade Area and the SACU/Mercosur trade negotiations. Trade with Africa was brought into sharper focus in the department's planning for 2004/05.

## IMPLEMENTATION OF THE AGRICULTURAL SECTOR PLAN

One of the most important developments of the past five years was the finalisation of the *Strategic plan for South African agriculture* in collaboration with Agri SA and the National African Farmers' Union. The strategy, published in November 2001, articulated the long-term vision for the sector, which is to create "A united and prosperous agricultural sector". The plan is not a government exclusive, but is guiding and uniting the entire sector.

Three key strategies were identified: to promote equitable access to resources for agricultural development, to enhance global competitiveness and to ensure sustainable use of our natural resources. To work towards action and implementation of our strategic goals, a working group between government and its partners was established. Through this mechanism intersectoral linkages have been strengthened to ensure effective co-operation and improved service delivery.

The sector plan further challenged us to work for public-private partnerships in the area of research and development. As a result of our social compact, active partnerships have already been established. The National Agricultural Research Forum (NARF), a consultative forum where government, public entities, academic institutions and the Agricultural Research Council (ARC) are involved in research and technology development, was constituted. A memorandum of understanding to co-operate on research, development and technology transfer was also adopted. This forum enables the partners to share best practice models and work for synergies in the optimisation of existing capacity.

## BLACK ECONOMIC EMPOWERMENT

In response to the second imperative of the sector plan, the objective of equitable participation in the sector, the department has developed a policy framework for Black Economic Empowerment (BEE). Good progress was made during the review year and through a consultative process involving individuals from the sector, government stakeholders and industry groups, we developed the draft broad-based empowerment framework, called AgriBEE. The first BEE conference in agriculture will be held in 2004.

To further empower black participants in the sector, government and its partners initiated a commodity approach to develop a number of commodity action plans. During the course of the year under review, commodity plans were developed for cotton, grain, wine, red meat, poultry and the fruit industry. The first-ever empowerment strategy was finalised in collaboration with all parties for the cotton industry.

## LAND REDISTRIBUTION FOR AGRICULTURAL DEVELOPMENT

The Land Redistribution for Agricultural Development (LRAD) programme was designed to provide grants to previously disadvantaged South African citizens to access agricultural land. By March 2004 a total of 387 485 ha agricultural land were distributed through the programme to 19 736 beneficiaries. Farmer-to-farmer mentorship programmes have been initiated to ensure that the beneficiaries of land reform and agricultural development make good use of their land.

The development of the Comprehensive Agriculture Support Programme during 2003 led to the realignment of the programme linkages to other operational units within the department. The programme is crucial for farmer support and financial resources have been allocated to fund the programme during 2004. The aim of the programme is to enhance the provision of support services and to promote and facilitate agricultural development targeting beneficiaries of the land and agrarian reform.

## FOOD SECURITY

One of the lead programmes of the department, is the Integrated Food Security and Nutrition Programme (IFSNP) which is also one of the key programmes of the social cluster. The vision of the integrated food security strategy is to attain physical, social and economic access to sufficient, safe and nutritious food by all South Africans at all times, to meet their dietary and food preferences for an active and healthy life.

Food security was of particular concern in 2002 as food prices soared and the price of maize went up by more than 120 %. As a result, a large number of particularly rural people became extremely vulnerable to poverty and hunger. A number of short and medium-term interventions were agreed upon to respond to the looming food crisis. Emergency relief measures were implemented for local food emergencies and followed up by the distribution of food parcels through the Department of Social Development, targeting the most vulnerable households in our society. We have further strengthened the linkages between these food parcels and the department's initiative on food gardens by making available seed, fertiliser and information packs to the recipients of emergency food.

As part of medium-term measures, the Minister for Agriculture and Land Affairs appointed a Food Pricing Monitoring Committee in January 2003 to monitor the prices of basic food items. The committee also had to undertake a longer-term analysis of the link between food prices and the structure of the agricultural supply chain. The committee produced quarterly reports during 2003 as well as a final report, which concluded that food prices had stabilised by December 2003.

The Minister also signed an agreement at the United Nations' Food and Agriculture Organization's (FAO's) headquarters in Rome, Italy, on 4 December 2003 to implement phase one of the special programme for food security. She launched the programme during the FAO's Africa regional conference in the Limpopo Province in March 2004.

## DROUGHT RELIEF MEASURES

The devastating drought in the country could have a far-reaching impact not only on agriculture, but also on the economy of South Africa as a whole. Maize planting for the 2003 season was the lowest in more than 60 years. To mitigate the effect of this disaster, Cabinet approved a total of R500 million for drought relief for the 2003/04 season, with a further R500 million earmarked for 2004/05. The funds will be used for emergency relief to vulnerable rural communities, provision of fodder for livestock to both established and emerging farmers, water provision for human consumption and for livestock and safeguarding of boreholes and prevention of communicable diseases in affected poor rural communities.

Because of the severe drought in 2003, we also had to focus on water provision for rural communities, emerging and commercial farmers. Boreholes were tested for water quality, particularly those for use by people and livestock. Testing is already underway and the results from these tests will be added to the national geo-hydrology database.

## ECONOMIC ANALYSIS

The economic performance of the agricultural sector was monitored on a quarterly basis and overviews of economic changes and their impact on the sector were produced regularly. To fill information gaps, Statistics South Africa launched the census of commercial agriculture in 2002. The results will be available towards the end of 2004. Improvements to the crop forecasting system are also being addressed via a contract awarded to an ARC led consortium. The aim is for the forecasts to be within 5 % of the actual harvest.

## FINANCIAL MATTERS

An amount of R72,8 million was surrendered to the Exchequer, which represents 5,8 % of the total appropriation for 2003/04. The underspending can be attributed to certain capital works projects which were not completed in time as well as vacancies which were not filled timeously as a result of Resolution 7 of 2002 which was only terminated on 12 September 2003

The latter had a carry through effect on expenditure items such as administration, inventories and equipment. Programmes such as Agricultural Production and Programme Planning were still being phased in, while the actual impact of the foot-and-mouth disease outbreak in the Limpopo Province and along the borders of Zimbabwe and Mozambique was overestimated by the department.

## LANDCARE PROGRAMME

The national LandCare programme is one of the flagship programmes of the department in which more than R140 million has been invested since 1998 in promoting sustainable land management practices, reversing the degradation of natural resources and implementing about 300 rural development projects. In addition, more than 13 000 jobs have been created through the community-based partnerships approach.

LandCare projects are implemented co-operatively with the provincial departments of agriculture, who contribute additional project funding. To ensure project ownership, community groups are also expected to contribute in cash or kind towards the funding of projects.

In the year under review the department funded 140 rural development projects to the value of about R40 million and 7 000 temporary jobs were created through the national LandCare programme. An amount of R11,8 million, representing 26 focused investment programmes, was earmarked for poverty nodes throughout the country, mainly in the Eastern Cape, Limpopo and Mpumalanga provinces.

## FEMALE FARMER OF THE YEAR AWARDS

The department recognises the role women play in agriculture and their contributions to food security through the Female Farmer of the Year Awards. Initiated in 1999, this competition enabled many female farmers to influence other women in a much broader spectrum and to play a leading role in the sector. A new category, Top household producer, was introduced in 2003 to strengthen the campaign against hunger and to reduce poverty. The other three categories remained Top producer for the export market, Top producer for national markets and Top producer for informal markets. The competition is aimed at both emerging and commercial farmers and draws its strength from diversity. The project is a joint venture of the department and public/private partnerships.

## EMPLOYMENT EQUITY

The recruitment of black professionals and, in particular, members of the designated groups has increased by over 50 %, compared to the previous financial year. This achievement is attributed to the commitment of managerial members to our employment equity targets and effective monitoring mechanisms in the form of performance agreements. In the management echelon, black women account for just over 35 %.

Major challenges remain in terms of employment equity in the middle management level, which is still dominated by white males and females. However, in the year under review, significant inroads were made and 90 % of the appointments made in this category were of members of the designated groups.

Bongiwe Njobe

DIRECTOR-GENERAL: AGRICULTURE

# economic overview

This report gives an overview of the major macro-economic trends of the agriculture sector for the period 1 April 2003 until 31 March 2004. Aggregates are compared with the period 1 April 2002 to 31 March 2003.

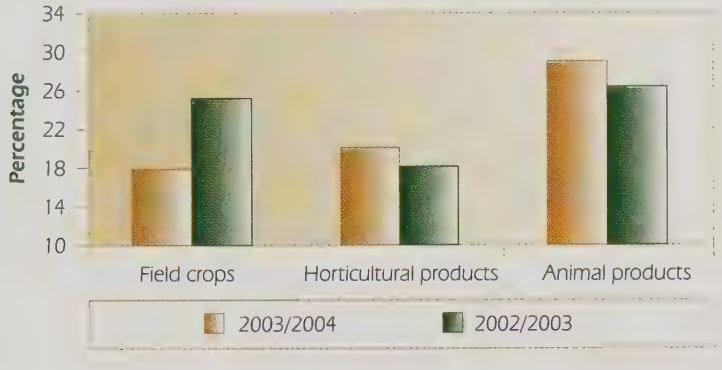
## GROSS FARM INCOME

Gross income refers to that part of agricultural production marketed at basic prices. It also includes production for own consumption valued at the same prices.

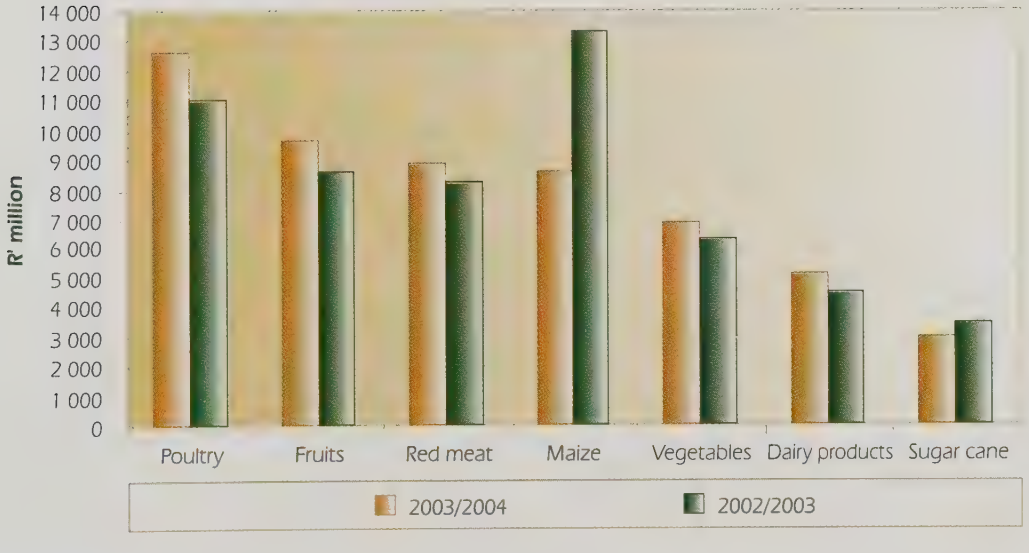
Gross income from all agricultural products amounted to R66 957 million for the year that ended on 31 March 2004, which is 4,3 % lower than the previous year. This decrease can mainly be attributed to the decrease of 29,7 % in the gross income from field crops. Animal products contributed 43,4 %, horticultural products 30,0 % and field crops 26,6 % to the gross farm income.

The gross income from animal products increased by 9,6 % and amounted to R29 065 million for the year under review. The gross income from poultry increased by 14,5 %, income from sheep slaughtered by 13,8 % and income from milk as well as cattle and calves slaughtered, increased by 9,3 %. These increases can mainly be attributed to the increases in the prices that producers received for animal products.

**The percentage increase/decrease in gross farm income 2003/2004 compared to 2002/2003 (April to March)**




**Gross farm income from the seven major agricultural products 2003/2004 compared to 2002/2003 (April to March)**



The income from horticultural products increased by 10,9 % to R20 077 million as the result of an increase of 25,7 % in the income from citrus fruit, 24,4 % from viticulture and 13,0 % from vegetables.

The gross income from field crops decreased by R7 521 million and amounted to R17 815 million. Decreases of 42,7 % in the income from wheat and 35,3 % from maize as well as the 26,4 % from sunflower seed are mainly the result of smaller crops.

## INTERMEDIATE EXPENDITURE

Intermediate expenditure refers to the value of the goods and services that were purchased to be consumed as inputs during the process of production. Intermediate expenditure increased by 0,7 % to R89 354 million. Expenditure on farm feeds remained the biggest expenditure item, accounting for 25,2 %, followed by 16,5 % for maintenance and repairs, 9,7 % for farm services, 9,5 % for fuel, 8,5 % for fertilisers and 8,1 % for dips and sprays.

Large increases occurred in the expenditure on farm services, which increased by 15,2 %, maintenance and repairs by 12,2 %, building and fencing material by 10,5 %, and insurance by 8,9 %. However, expenditure on fertilisers, fuel as well as dips and sprays decreased by 18,7 %, 15,2 % and 2,5 %, respectively.

## PRICES RECEIVED AND PRICES PAID BY FARMERS AS WELL AS TERMS OF TRADE

On average, prices received by farmers for all agricultural products increased by only 2,0 %. The weighted average prices of field crops decreased by 5,7 %, mainly because of decreases in the prices of summer grains, dried beans and sugar cane, which decreased by 25,5 %, 2,1 % and 0,7 %, respectively. Prices of horticultural products increased by 8,8 %. Fruit prices increased by 11,6 %, but vegetable prices increased by only 1,8 %. The average prices of animal products increased by 3,9 %, mainly as a result of an increase of 6,9 % in dairy products and 6,4 % in slaughtered stock. Prices of pastoral products, however, decreased by 22,2 %.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods showed a small increase of 0,9 % compared to an increase of 18,2 % the previous year. Prices increased by 11,3 % for fencing material, 11,3 % for maintenance and repairs, 7,5 % for building material, 6,4 % for tractors and 5,2 % for irrigation equipment. However, prices of fertilisers, dips and spays as well as fuel decreased by 5,5 %, 4,0 % and 3,9 %, respectively.

The result of the relatively higher increase in prices received, compared to the increase in prices paid by farmers resulted in an improvement of 1,2 % in the domestic terms of trade.

## GROSS MARGIN, NET FARM INCOME AND CASH FLOW

The decrease of 4,3 % in gross farm income compared to an increase of 0,7 % in intermediate expenditure resulted in a decrease of 9,5 % in the gross margin (gross income – intermediate expenditure). Net farm income decreased by 17,8 % to R16 599 million, due to the decrease in the gross income and gradual increases in intermediate expenditure as well as factor payments such as labour, rent and interest payments. This also contributed to a decrease of 17,6 % in the cash flow of farmers.

## CONCLUSION

For the period under review the gross income of farmers decreased due to a smaller increase in prices received by farmers as well as lower levels of production of some field crops. This contributed to the decrease in net farm income and the cash flow of farmers. The increase in international fuel prices could result in an increase in prices of expenditure items. Expectations are that economic growth of the agricultural sector during 2004 will not show any significant improvement on 2003.

# office of the director-general

baledile bogape
executive assistant

The purpose of the Office of the Director-General is to provide strategic leadership and extensive managerial and administrative support to the department.

## OBJECTIVES

The office has the overall responsibility to oversee and monitor performance of the department against its intended strategic goals. It is also responsible for ensuring that proper alignment exists within departmental programmes and broad government objectives. The office endeavours to achieve these objectives through the establishment of frameworks for the co-ordination and implementation of national policy and the development and implementation of quality standards. It focuses on identifying organisational risks, developing and implementing appropriate risk management policies and implementing and encouraging the realisation of organisational values.

## ACHIEVEMENTS

### Intergovernmental co-operation

#### Cluster participation

The department participated actively in all government cluster programmes to ensure that its programmes are aligned to the broad government policies and priorities. Each cluster has a representative from the department, i.e. the Director-General attends and performs a leadership role in one cluster and the Deputy Directors-General and the Chief Operating Officer in the others. The information from the clusters has been forwarded to the Departmental Executive Committee (DEXCO) for further implementation. We have seen a better implementation of cluster priorities at all levels during this year.

#### Government oversight on public entities

A policy framework on co-operative governance has been developed and negotiated with the public entities. Its role is to facilitate the working relationship between the department and the public entities as instruments in government service delivery.

#### Provincial government relations

A framework on co-operative governance has been developed and negotiated with the provinces to improve working relations and to follow an integrated approach in service delivery. Regular meetings of the Intergovernmental Technical Committee on Agriculture (ITCA) were held.

### Strategic direction

#### Oversight committee meetings

The Director-General, Deputy Directors-General and the Chief Operational Officer met regularly to co-ordinate departmental operations. As this committee reports to DEXCO, there has been better co-ordination and follow-up on issues in the system. This committee adds value to the departmental delivery strategy.

#### Meetings between the Minister, Deputy Minister and the Director-General

The Minister, Deputy Minister and the Director-General continued with regular meetings to reach agreement on policy direction and pressing public communication, Cabinet and parliamentary issues. It is envisaged that the Minister and Deputy Minister would meet regularly with all the oversight committee members in future.

### Quarterly performance review meetings

Senior Management members of the department met every quarter to review performance progress. As a result we have witnessed an improvement in a number of programmes. The following programmes are running successfully because of the teamwork and the integrated approach that the department is using:

- Farmer settlement programme
- Framework for financing mechanisms
- International strategy
- AgriBEE
- Implementation of IFSNP

An integrated programme, CASP resulted from these meetings. The South African Excellence model was used to assess the department's progress.

## Agricultural sector participation

### Contact with agricultural unions

A framework for partnership was developed by the Oversight Committee to improve working relations and to clarify roles and responsibilities. Regular contact with the unions took place where discussions on the implementation of the sector plan were held. These interactions helped in carrying the strategy forward.

### Contact with the industry/commodities

Commodity strategies were initiated and a framework for developing these strategies was developed by the oversight committee.

## Transformation

During the year under review the unit facilitated the resuscitation of the sub-transformation forums in all the directorates of the department. This process resulted in effective monitoring and the implementation of transformation programmes and policies. The development of various policies, including one aimed at accelerating the development and capacity building of black professionals, was facilitated.

## Employment equity

The recruitment of black professionals and particularly members of the designated groups, has increased by over 50 %, compared to the previous financial year. Top management is 100 % black of which 60 % are women. In management echelons, black women account for just over 35 %.

Major challenges in terms of employment equity in the middle management level still exist were the majority of incumbents are white males and females. However, 90 % of the appointments made in this category were of members of the designated groups. The recruitment of disabled people remains a great challenge but programmes are in place to improve the situation. In its endeavour to eliminate all forms of discrimination in the workplace, the department has embarked on employment equity and anti-discrimination awareness campaigns, followed by training of employees in diversity management.

## Service delivery

Improvement of service delivery is central to all departmental programmes and initiatives. As a result, a nation-wide agricultural clients needs survey was sanctioned, due for completion in the next financial year. The results of this survey will be integrated in the service level agreements of senior managers, within the context of the newly designed performance management framework and service delivery improvement plans for senior managers.

# Internal audit

ramalingam reddy

senior manager

Internal Audit renders an independent and objective assurance and consulting service, designed to add value and improve the department's operations. It assists the department to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit reports functionally to the Audit Committee and administratively to the Director-General. The Audit Committee reports annually on the effectiveness of the Internal Audit Directorate.

The directorate derives its mandate from the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the Treasury Regulations.

## OBJECTIVES

Internal Audit is a management tool that guides the department to meet its objectives efficiently and effectively. To achieve this, it follows a process to provide reasonable assurance of effective and efficient resources, reliable financial information and reporting and compliance with applicable laws and regulations.

Internal Audit also assists the Director-General in achieving the objectives of the department by evaluating and developing recommendations for the enhancement or improvement of the processes through which objectives and values are established and communicated, the accomplishment of objectives is monitored, accountability is assured and corporate values are preserved. Furthermore, it also assists management in identifying and evaluating risks in the department as well as evaluating management strategy to manage these risks.

## ACHIEVEMENTS

During the period under review, Internal Audit performed audits in accordance with the approved internal audit plan. The focus areas covered, included:

- Human Resources management issues—leave
- Occupational Health and Safety Act, the Aids policy, the smoking policy and the employee assistance programme
- Stellenbosch office—a comprehensive audit covering all the financial and administrative activities
- Grootfontein Agricultural Developmental Institute—a comprehensive audit covering all the financial and administrative activities
- Potential breach of security measures/safeguarding of assets
- Control over confiscated items at the border posts, harbours and airports
- Quarantine stations—Durban, Kempton Park and Milnerton
- Transfer payments
- Ad-hoc assignments and investigations into:
  - Transport facilities at the Parliament office in Cape Town.
  - Fraud investigations at the quarantine stations at Durban and Milnerton.
  - Audit of management's leave.

The recommendations made by Internal Audit were approved by management and implemented as recommended.

vusi bong
senior manager

# Security services

The purpose of the directorate is to secure personnel, state assets and information through the development and implementation of security policies. It also represents the department in the criminal justice cluster and other security forums to provide advisory services regarding security issues to the Ministry and the office of the Director-General.

The mandate of the directorate is to provide for the safeguarding of public premises, vehicles, the protection of people by means of the Access Control to Public Premises and Vehicles Act, 1985 (Act No. 53 of 1985) and the implementation of the national information security policy and the minimum information security standards approved by Cabinet on 4 December 1996.

## OBJECTIVES

The objective of the directorate is to promote a safe and secure working environment by rendering physical, protective, information, personnel and security advisory professional services.

## ACHIEVEMENTS

In the review period Documentation Management was relocated to Security Services. The support series of the new filing system that was implemented in all directorates of the department, was completed and approved by the National Archives. In total 70 % of the file plans have been completed.

In accordance to the Batho Pele principles the following service delivery improvements were made:

- Thirty percent of employees were revetted for security clearance, notwithstanding the shortage of staff from the National Intelligence Agency. Due to this problem, the directorate established capacity to carry out security vetting in the department and three posts have been job evaluated.
- At the Stellenbosch offices three additional security officers will be appointed.
- To create an information security risk management capability, the post of Information Security Officer has been job evaluated.
- The security policy has been approved.
- Public-private partnerships were created by outsourcing security services at the Roodeplaat and Maize Board Buildings, in accordance with the guidelines of the National Intelligence Agency.
- In compliance to the Occupational Health and Safety Act (Act No. 85 of 1995) a contingency plan was developed and emergency evacuation drills are carried out and practised on a quarterly basis at the agricultural buildings. The plan is geared to save lives, safeguard property and information as well as ensure that activities of the department and the office of the Minister for Agriculture and Land Affairs can continue with as little disruption as possible.

The Department of Agriculture is among the few departments that have been accredited by the Central Firearm Register for compliance with the new Firearm Act, 2002 (Act No. 60 of 2000).

The department contributed to the rural safety awareness programme by printing 30 000 rural safety tips pamphlets. The pamphlets are printed in English, Afrikaans, Zulu and Sotho and will be distributed to the rural and farming communities.

Security service standards are in compliance with the minimum information security standards policy through customer surveys, written comments from officials, members of the public and the National Intelligence Agency and the South African Police Services.

# mission statement

## VISION

The vision of the Department of Agriculture is that of a united and prosperous agricultural sector

## MISSION

The Department of Agriculture aims to lead and support sustainable agriculture and promote rural development through:

- Ensuring access to sufficient, safe and nutritious food
- Eliminating skewed participation and inequity in the sector
- Maximising growth, employment and income in agriculture
- Enhancing the sustainable management of natural agricultural resources and ecological systems
- Ensuring effective and efficient governance
- Ensuring knowledge and information management

## OBJECTIVES

To fulfil its mandate and meet its commitment to the national strategy for agricultural development, the department has set the following as its medium-term strategic objectives:

- Guide and support equitable access to resources for agricultural development
- Enhance the economic performance of the sector
- Ensure sustainable natural resource management and use
- Promote and support the participation of black people, women, youth and the disabled in agriculture
- Ensure consumer confidence in agricultural products and services
- Achieve departmental service excellence

## DEPARTMENTAL VALUES

The departmental values are underpinned by the ethos of "Vuk'uzenzele". This concept builds on the meaning of the word through its direct interpretation of "self-reliance" in capturing the spirit of South Africans at home and abroad, expressed by President Mbeki in his State of the Nation Address in 2002, as people who want to "lend a hand in the national effort to build a better life".

Recognising that being in the public service is indeed already a privilege to be able to serve the nation and having adopted the principles of Batho Pele—the challenge is now to respond comprehensively to the call for action. The departmental values that support the above context are therefore:

| | |
|---|---|
| **Bambanani** | We believe that the sum of our collective efforts will and should be greater than the total of our individual efforts. |
| **Drive** | We are purposeful and energised in all that we do. |
| **Excellence** | We are committed to exceeding our customers' expectations for quality, responsiveness and professional excellence. |
| **Innovation** | We motivate and reward creativity, innovation and new knowledge generation that support outstanding performance. |
| **Integrity** | We maintain the highest standards of ethical behaviour, honesty and professional integrity. |
| **Maak 'n plan** | We always will find a way to make it happen. |

The departmental management is committed to ensuring the creation of an environment within which all the staff members can live through these values.

## KEY CLIENTS

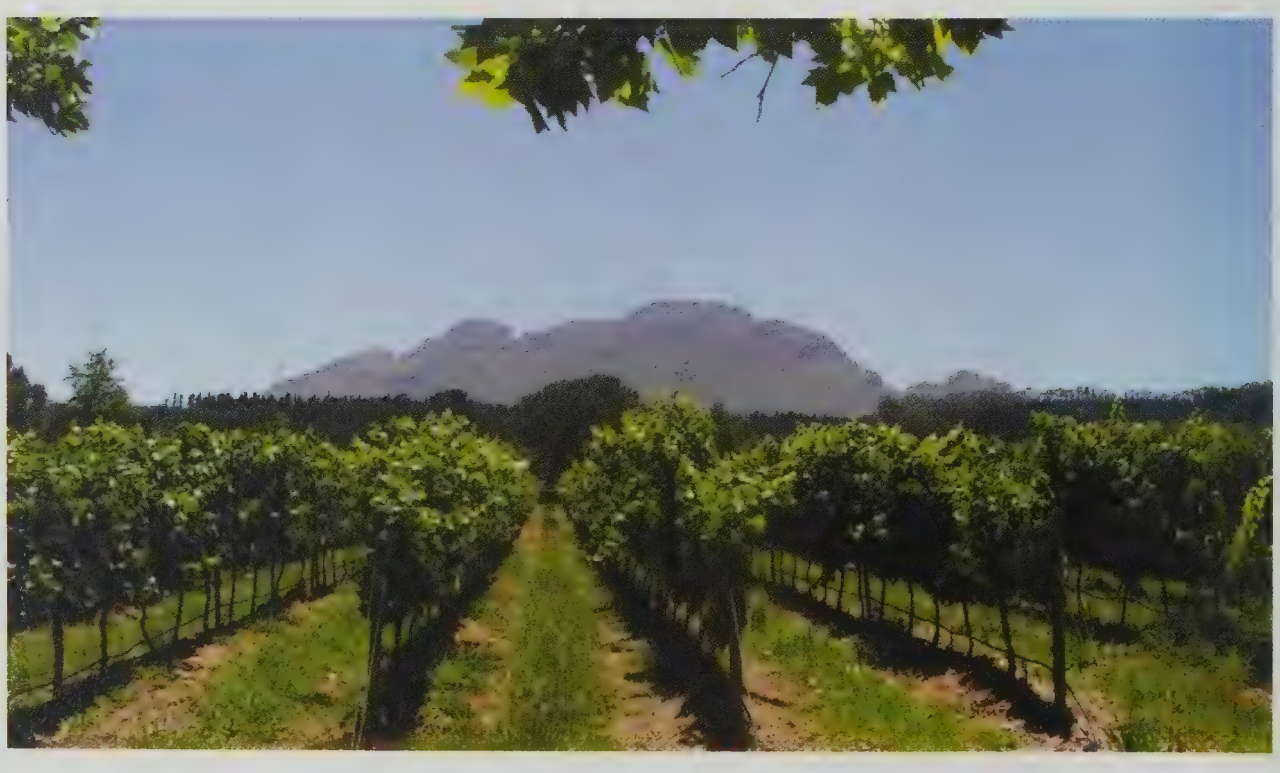
The key clients of the department are:

- Provincial departments of agriculture
- Public entities working in the agricultural sector
- Consumers of agricultural products
- Processors, traders and exporters of agricultural products
- Producers of agricultural products
- Agricultural services providers
- International organisations working in agriculture

## KEY PRODUCTS AND SERVICES

The key products and services of the department are:

| | |
|---|---|
| **National leadership** | In terms of policy, legislation, setting strategic priorities, advice, norms and standards, information, monitoring and evaluation, supervision and reporting |
| **National regulatory services** | With respect to national legislation, regulations, controls, auditing services and inspection services |
| **National co-ordination services** | Facilitate provincial and public entities co-ordination, international agreements, professional networks, public, private, community partnerships and agricultural human resources development |
| **National agricultural risk management** | Manage early warning systems, disaster management policy, response, recovery, mitigation and preparedness, pest control and plant and diseases control |

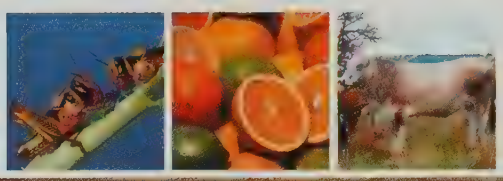


# legislative mandate

The department derives its core mandate from Section 27(1)(b) of the Constitution. It is currently responsible for over 30 pieces of legislation. Underpinning this definition of the scope of the mandate of the Department of Agriculture is the understanding of agriculture, as being inclusive of all economic activities, from the provision of farming inputs, farming to adding value. In view of the reality that the agricultural sector is continuously subjected to changes in the production and marketing environment, the policy and legislative environment that governs the sector needs to continuously adjust through amendments and sometimes replacement of legislation.

The following list of acts reflects and further elaborates the legislative mandate of the Department of Agriculture.

| | |
|---|---|
| Performing Animals Protection Act, 1935 | Act No. 24 of 1935 |
| Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 | Act No. 36 of 1947 |
| Animal Protection Act, 1962 | Act No. 71 of 1962 |
| Fencing Act, 1963 | Act No. 31 of 1963 |
| Subdivision of Agricultural Land Act, 1970 | Act No. 70 of 1970 |
| Plant Breeder's Rights Act, 1976 | Act No. 15 of 1976 |
| Plant Improvement Act, 1976 | Act No. 53 of 1976 |
| Co-Operatives Act, 1981 | Act No. 91 of 1981 |
| Veterinary and Para-Veterinary Professions Act, 1982 | Act No. 19 of 1982 |
| Perishable Products Export Control Act, 1983 | Act No. 9 of 1983 |
| Agricultural Pests Act, 1983 | Act No. 36 of 1983 |
| Conservation of Agricultural Resources Act, 1983 | Act No. 43 of 1983 |
| Animal Diseases Act, 1984 | Act No. 35 of 1984 |
| Liquor Products Act, 1989 | Act No. 60 of 1989 |
| Agricultural Research Act, 1990 | Act No. 86 of 1990 |
| Agricultural Products Standards Act, 1990 | Act No. 112 of 1990 |
| Agricultural Produce Agents Act, 1992 | Act No. 12 of 1992 |
| South African Abattoir Corporation Act, 1992 | Act No. 120 of 1992 |
| Groot Constantia Trust Act, 1993 | Act No. 58 of 1993 |
| Societies for the Prevention Of Cruelty To Animals Act, 1993 | Act No. 169 of 1993 |
| Marketing of Agricultural Products Act, 1996 | Act No. 47 of 1996 |
| Agriculture Laws Extension Act, 1996 | Act No. 87 of 1996 |
| Genetically Modified Organisms Act, 1997 | Act No. 15 of 1997 |
| Animal Improvement Act, 1998 | Act No. 62 of 1998 |
| Agricultural Laws Rationalisation Act, 1998 | Act No. 72 of 1998 |
| Onderstepoort Biological Products Incorporation Act, 1999 | Act No. 19 of 1999 |
| Meat Safety Act, 2000 | Act No. 40 of 2000 |
| Agricultural Debt Management Act, 2001 | Act No. 45 of 2001 |
| Land And Agricultural Development Bank Act, 2002 | Act No. 15 of 2002 |
| KwaZulu-Natal Cane Growers' Association Act Repeal Act, 2002 | Act No. 24 of 2002 |
| Animal Identification Act, 2002 | Act No. 6 of 2002 |



# top management

**bongiwe njobe**
director-general

**masiphula mbongwa**
deputy director-general
agricultural economics and business development

**vangile titi**
deputy director-general
programme planning, monitoring and evaluation

**njabulo nduli**
deputy director-general
agricultural production and resources management

**luvuyo mabombo**
chief operating officer
operations management and governance

# the ministry

cecilia sililo-tshishonga
chief of staff

The main purpose of the office of the Minister is to render personal and administrative support to the Minister and Deputy Minister and to ensure that they are able to execute their governmental obligations and delegated functions in an obstacle-free environment.

The Department of Agriculture derives its mandate from the Public Service Act, 1994 (Proclamation 103 of 1994), while the President appoints the political principals. The Ministerial Handbook provides guidelines concerning the number and appointment of staff members within the Ministry, while special advisors are appointed in terms of cabinet directives.

## OBJECTIVES

The objectives of the office of the Minister are to render secretarial, advisory, parliamentary, administrative and public relations and media liaison support services to the Minister and Deputy Minister.

## ACHIEVEMENTS

During the period under review, significant progress was made in uniting the agricultural sector towards implementing the strategic sector plan. The Minister held regular meetings with the two main agricultural unions, the National African Farmers' Union and Agri SA, the provincial ministers of agriculture and her two Directors-General.

In a constantly changing agricultural sector the policy and legislative environment is reflected in the amendments to, or replacement of, legislation. During the review period the Agricultural Produce Agents Amendment Bill, 2003 (Act No. 47 of 2003) was approved by Parliament.

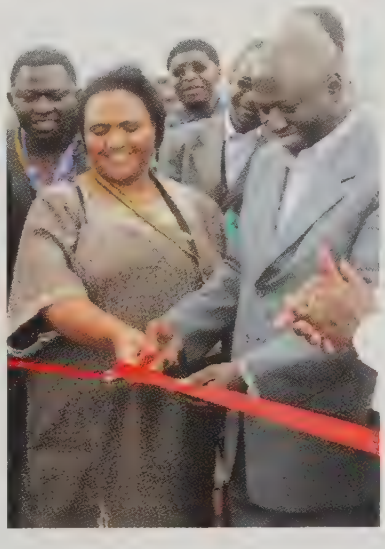
One of the biggest challenges facing the Ministry during 2003, remained the issue of food security. The Food Price Monitoring Committee appointed by the Minister, produced quarterly reports as well as a final report which concluded that food prices in the country had stabilised by December 2003.

The following public entities report directly to the Minister:

- The Agriculture Research Council
- The Land Bank
- The National Agricultural Marketing Council
- Onderstepoort Biological Products
- The Perishable Products Export Control Board
- Ncera Farms

Regular meetings were held and various issues pertaining to the public entities were discussed and addressed. Annual reports of all the public entities were presented to Parliament.

In total, 47 questions pertaining to agriculture asked in Parliament were satisfactorily answered. An additional nine questions were asked for reply by both the Departments of Agriculture and of Land Affairs.



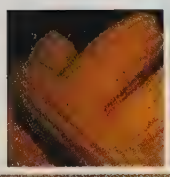
The Minister for Agriculture and Land Affairs, Ms Thoko Didiza, and Dr Jacques Diouf, Director-General of the Food and Agriculture Organization, cut a ribbon to launch the Special Programme for Food Security (SPFS) in South Africa

The Minister travelled extensively during the period under review and undertook 12 visits to the following foreign countries:

| | | |
|---|---|---|
| Nigeria | 14–18 July 2003 | Participating in the 6th Biennial Leon H Sullivan Summit |
| Tanzania | 19–26 August 2003 | Attend a SADC Council of Minister's meeting |
| Brazil | 5 September 2003 | Accompany Minister Erwin of the Department of Trade and Industry to a preparatory meeting for the Cancun visit |
| Lesotho | 22–23 September 2003 | Consolidate and strengthen regional ties with South Africa's African counterparts (African footprints) |
| Mexico | 10–14 September 2003 | Attend the 5th World Trade Organisation's ministerial meeting |
| Botswana | 25 September 2003 | Launch of the Minister's SADC appeal for assistance in the control of foot-and-mouth disease |
| India | 13–19 October 2003 | Accompany the President on a State Visit to India |
| United Kingdom | 24–26 October 2003 | Attend Solidarity Conference entitled "A decade of freedom—the decade ahead." |
| Italy | 26 November to 10 December 2003 | Attend the 32nd Food and Agriculture Organization's council meeting and the preceding council meeting |
| Brazil | 11–12 December 2003 | Attend the G20 Ministerial meeting |
| Democratic Republic of Congo | 4–8 January 2004 | Participate in bilateral communication as part of a presidential delegation |
| Libya | 9–11 February 2004 | Participation in deliberations of the African Union extraordinary summit on water, agriculture and energy |

Ms Thoko Didiza, South African Minister for Agriculture and Land Affairs and her Mozambican counterpart, Mr Helder Muteia, at a one-day Agricultural Investor Conference between South Africa and Mozambique held in Maputo (March 2004)

# programme performance



# programme performance

## VOTED FUNDS

| Appropriation | Main appropriation | Adjusted appropriation | Actual amount spent | Under expenditure |
|---|---|---|---|---|
| ENE | R1 072 199 000 | R1 250 102 | R1 177 290 | R72 812 |
| Responsible minister | Minister for Agriculture and Land Affairs | | | |
| Administration department | Department of Agriculture | | | |
| Accounting Officer | Director-General | | | |

## AIM

The Department of Agriculture aims to lead and support sustainable agriculture and promote rural development. This is done by ensuring access to sufficient, safe and nutritious food, eliminating skewed participation and inequity in the sector, maximising growth, employment and income in agriculture. The department also enhances the sustainable management of natural agricultural resources and ecological systems and ensures effective as well as efficient governance and knowledge and information management.

## KEY OBJECTIVES AND SUMMARY OF PROGRAMMES

The strategic role of the department is to facilitate the transformation objectives for agricultural development, food security, and growth of the sector and the sustainable use of natural resources.

To achieve this, the department provides support for the growth and deracialisation of the agricultural sector, poverty eradication and rural development, and for establishing farmer support programmes. These include access to technology, markets, finance, information and training. The department also seeks to mitigate risk by formulating strategies for disaster management, quality assurance, food safety, and plant and animal health.

The activities of the Department of Agriculture are organised in nine programmes:

**Programme 1:** Administration provides the department with political and strategic leadership as well as management and administration services.

**Programme 2:** Farmer Support and Development promotes stability, competitiveness, growth and transformation. This is done by developing policies governing farmer settlement, food security, rural development, the registration of co-operatives and agricultural risk and disaster management.

**Programme 3:** Agricultural Trade and Business Development develops policies governing access to national and international markets and promotes black economic empowerment in the sector.

**Programme 4:** Economic Research and Analysis provides the necessary information for developing and monitoring the agricultural sector.

**Programme 5:** Agricultural Production promotes agricultural research, productivity and sustainability.

**Programme 6:** Sustainable Resources Management and Use develops, implements and monitors policies for the management and use of land and water resources in agriculture.

**Programme 7:** National Regulatory Services develops and monitors risk management policies for the control of animal and plant diseases, food safety and the use of genetically modified organisms.

**Programme 8:** Planning, Monitoring, Evaluation and Communication (also known as Communication and Information Management) manages and coordinates communication, education and international relations.

**Programme 9:** Programme Planning, Monitoring and Evaluation consolidates and supports strategic and operational management in the department.

## OVERVIEW OF SERVICE DELIVERY ENVIRONMENT

During the period under review changes and developments external to the department had an influence on the ability to deliver the proposed strategic plan outputs. External factors had an impact on the department's service delivery during 2003/04 in the following areas:

### International trade

Significant developments in the international trade arena led to an increase in the pace of bilateral trade negotiations and placed a strain on capacity in the department, with the negotiating load having to be shared among the management members. The World Trade Organisation's (WTO) mid-term Ministerial meeting at Cancun failed and delayed the development of negotiating modalities on agriculture. However, the negotiating dynamics were irrevocably changed with the emergence of the G20 negotiating alliance among developing countries, including South Africa, Brazil, India and China. The initiative of a number of West African countries about the negative effects of developed countries' subsidies on cotton incomes in West Africa, gave momentum to an antisubsidy drive in the WTO. The Food and Agriculture Organization's (FAO) African Regional Conference, hosted by South Africa gave impetus to NEPAD initiatives and engagement in Africa.

### Production economics and farm management support

The downscaling of production economics and farm management support services to commercial farmers by both the private sector (former cooperatives) and national and provincial government, have created a growing gap in service delivery for especially emerging and smaller commercial farmers. In response the department has strengthened its analytical and advisory capacity considerably by increasing the post establishment of the economic analysis unit from 19 to 43, to be implemented in a phased manner.

The Agricultural Economics Standing Committee of ITCA has also revealed economic skills needs in the provincial departments of agriculture and the parastatals, and will provide an opportunity for the pooling of scarce resources. Without adequate analytic and advisory capacity in these units, government intervention and management of the sector could not be based on economic realities, but would be ad hoc and most likely inefficient and ineffective.

Not only is it important for the department to urgently build and retain its agricultural economic and statistical capacity, but it should also assist the provincial departments of agriculture and the parastatals to do the same. There are few experienced agricultural economists in the country, and even fewer in the public service. The number of black or female economists is also limited. The department is therefore developing a comprehensive long-term human resource strategy for economists regarding recruitment, utilisation and capacity building.

### Agricultural production

The increased number of bilateral and multilateral agreements between South Africa and other governments and inter-governmental organisations (for example Democratic Republic of Congo, India–Brazil–South Africa) caused delays in the pace at which projected outputs could be realised with regard to animal production. New activities were integrated within the strategic measurable objectives of the department. In view of customer demands and the debates between the ARC and stakeholders in the commercial agricultural sector about funding of public goods and intellectual property rights matters, the department sought to resolve the problem. The department, in collaboration with the Department of Science and Technology, successfully negotiated with the National Treasury for additional funding to redress shortfalls on the maintenance

of public goods and other items within the parliamentary grant of the ARC. In addition, the department engaged members of the National Agricultural Research Forum (NARF) to provide information on levels of government funding of the activities of the ARC and improve relations between the role-players. The debate on intellectual property rights culminated in a national workshop where members of the NARF and ARC as well as other government departments agreed on the need to formulate a national policy on intellectual property rights.

### Food security

The persistent food insecurity concerns within the Southern African region and the drought in some parts of South Africa remains a challenge. Food parcels were distributed to 244 000 food insecure households and 37 000 agriculture starter packs were distributed to households through the Land Bank during the period under review.

The Special Programme for Food Security (SPFS) was officially launched during the FAO-ARC Conference, in March 2004 in Limpopo Province. This followed the signing of a project agreement with the FAO by the Minister of Agriculture and Land Affairs in December 2003 in Rome. About 3 000 households will benefit from this programme with spin-offs for job creation and infrastructure development. Ten million Rand was transferred to KwaZulu-Natal, Limpopo and the Eastern Cape Province for the implementation of the SPFS.

### Human resources development

The targets that were set during the Growth and Development Summit in June 2003, required that the number of young graduates enrolled under the departmental internship and learnership programmes, had to be increased. This meant an increase in budget spending and a need for extra human resources to coordinate and administer the internship programme.

### International relations

The increase in international negotiations has been a challenge for the department to advance South Africa's interests in a coherent and focused way, particularly in terms of trade, training, technical assistance, technology and research. It is essential to create a balance between the demands for international engagements and the need to leverage maximum benefit for South African products and services, as well as establish bilateral and multilateral partnerships, which should serve long-term interests. The need to focus on Africa in terms of the New Partnership for Africa's Development (NEPAD) priorities has increased the workload in Africa.

## OVERVIEW OF ORGANISATIONAL ENVIRONMENT

The improved coherence of the department's strategic planning process resulted in smoother alignment and synergy between activities in the different programmes in the department. The unexpected delay in the conclusion of the process of restructuring within the public service as a result of Resolution 7 of 2002, led to a delay of the approval of the new structure and it was only approved in June 2003. While the process envisaged a much better reorganised department, the delay in implementation negatively impacted on the expected improved capacity and better service delivery, as well as on timely delivery of strategic plan outputs.

The first half of 2003/04 was therefore marked by an intensive departmental transformation process, which resulted in the inability of the department to fill critical posts. The second half of the year brought about the approval of the structures with funded and unfunded posts. The latter was an obstacle in meeting the department's targets set out in the strategic plan. As a result, under-spending occurred during 2003/04 in most directorates, both on personnel costs and projects not being launched through lack of capacity.

### Economic intelligence

With regard to economic research and analysis, the lack of human resources impacted on the analytical capacity needed to monitor the agricultural sector and advise on different policy options. As a result it was not possible to attain and maintain the long-term capability in economic intelligence required for the country to be competitive in global agriculture. In addition, there was a need to attend to unprogrammed high-priority activities such as participation in the Food Price Monitoring Committee and the Organisation for Economic Cooperation and Development request for an agricultural policy review study. However, optimum service delivery levels were maintained and routine functions were done with available resources and capacities.

## STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS

The Department of Agriculture with its main partners in government and the private sector, implemented a number of new initiatives during the past year. While some of these changes have allowed progress to be made in broadening access to agriculture, the department still faces the challenges to further eradicate poverty and hunger, promote growth and development in the sector, ensure food safety through meeting acceptable health standards, and respond timeously to the ever-changing environment of the sector.

### Black Economic Empowerment

A Black Economic Empowerment framework to guide the implementation of equitable access and participation in the sector was developed during 2003. Through a consultative process involving a reference group of individuals from the sector, government stakeholders and industry groups a draft broad based empowerment framework, called AgriBEE was developed. The intention is to release this for public consultation in the second quarter of 2004/05.

The vision of AgriBEE is empowerment through growth in the agrifood and fibre value chain for a representative, united and prosperous agriculture sector.

### Comprehensive Agriculture Support Programme

Although considerable resources have been directed at providing access to land for agricultural production to previously disadvantaged individuals, few resources were allocated towards farmer support and advisory services. The Comprehensive Agriculture Support Programme (CASP) was developed to provide post-settlement support services to targeted beneficiaries of land reform, and to other producers who have acquired land through private means. Funding has been obtained and the programme will be implemented over the next three years and will make interventions in six priority areas: information and technology management; technical and advisory assistance; financial support; training and capacity building; marketing and business development; and on and off-farm infrastructure.

### Drought

As a result of its geographical location some parts of South Africa are prone to drought. The current devastating drought in the country could have a far-reaching impact not only on agriculture, but on the economy as well. Maize plantings for the 2003 season was the lowest in more than 60

years. To mitigate the effect of this disaster cabinet approved a total of R500 million for drought relief for the current season (2003/04), with a further R500 million earmarked for the 2004/05 season. The funds will be used for emergency relief to vulnerable rural communities; provision of fodder for livestock to both established and emerging farmers; water provision for human consumption and for livestock as well as safeguarding of boreholes; and prevention of communicable diseases in affected poor rural communities.

### Human resources development

The amendments to the Skills Development Act as well as the proposed objectives set in the National Skills Development Strategy 2005 to 2009 will force the department to play a more visible role in Sector Education and Training aligned to Agriculture (SETAs). The targets set in the strategy are such that the minimum performance standard for success of internships is 70 %. This will put more pressure on the human resource development function of the department.

### Policy development

During the review period several policies were developed. This includes the formulation of the policy on agriculture in sustainable development, which is agriculture's implementation of the commitments to the World Summit on Sustainable Development's (WSSD) Johannesburg Plan of Implementation. During the same period, the animal improvement policy and the livestock development strategy were also concluded to create an animal improvement programme for implementation in the 2004/05 financial year.

The agriculture biotechnology strategy was developed as the department's contribution towards improving the sustainability, technology innovation and competitiveness within the sector.

### Legislation

As regards legislation, the Animal Improvement Act, 1998 (Act No. 62 of 1998) was implemented, thereby repealing the Livestock Improvement Act, 1977 (Act No. 25 of 1977). In support of animal improvement, the Animal Identification Act, 2002 (Act No. 6 of 2002) was implemented to facilitate traceability and animal recording.

The Agricultural Produce Agents Amendment Act, 2003 (Act No. 47 of 2003) was promulgated and became operational in January 2004. The objective of the act is to regulate the activities of fresh produce, livestock and export agents. The intention is to promote self-governance and regulation without depending too much on government intervention. The appointment of the new Agricultural Produce Agents Council will be concluded before the end of July 2004.

## DEPARTMENTAL RECEIPTS

Receipts derive from various statutory services rendered by the department, namely:

- Registration of fertilisers, farm feeds, agricultural remedies nurseries and brands in terms of the Livestock Brands Act, 1962 (Act No. 87 of 1962)
- Issuing of certificates and permits for the export and import of agricultural products
- Recovery of loans and advances

The actual receipts for the 2003/04 financial year exceeded the target for the year by 199 %. This was as a result of the repayment of funds for flood disasters not spent by the Land and Agricultural Bank of South Africa. In addition, an amount of R56 million was transferred to the National Revenue Fund from the Agricultural Debt Account for departmental debt that was reclassified as agricultural debt in terms of section 3(2) of the Debt Management Act, 2003 (Act No. 45 of 2003). If the total amount of R156 million is not taken in consideration, the department exceeded its target of R78,104 million by 0,2 % for the financial year.

Reasons for the variances per programme are taken up in the department's financial statements.

DETAILS OF RECEIPTS FOR THE FINANCIAL YEAR PER RECEIPT CATEGORY

| | 1999/2000 Actual R'000 | 2000/01 Actual R'000 | 2001/02 Actual R'000 | 2002/03 Actual R'000 | 2003/04 Target R'000 | 2003/04 Actual R'000 | % deviation from target |
|---|---|---|---|---|---|---|---|
| **Tax revenue** | – | – | – | – | – | – | – |
| **Non-tax revenue** | | | | | | | |
| Sales of goods and services other than capital assets | 20 340 | 32 306 | 41 337 | 24 429 | 26 500 | 22 305 | (15,8) |
| Transfers received | – | – | 613 | 10 | – | – | – |
| Fines, penalties and forfeits | – | 1 | – | 21 | 19 | 1 | (94,7) |
| Interest, dividends and rent on land | 11 391 | 12 086 | 12 662 | 11 474 | 12 300 | 10 957 | (10,9) |
| Sales of capital assets (capital revenue) | – | – | 1 144 | 71 | 85 | 9 030 | – |
| Financial transactions (recovery of loans and advances) | 8 886 | 32 884 | 9 517 | 36 006 | 39 200 | 191 968 | 389,7 |
| **Total departmental receipts** | **40 617** | **77 277** | **65 273** | **72 011** | **78 104** | **234 261** | **199,9** |

DEPARTMENTAL PAYMENTS

| Programme | Voted 2003/04 R' 000 | Rollover and adjustments R' 000 | Virement R' 000 | Total voted funds R' 000 | Actual expenditure R' 000 | Variance R' 000 |
|---|---|---|---|---|---|---|
| 1. Administration | 153 091 | 11 035 | -2 669 | 161 457 | 157 099 | 4 358 |
| 2. Farmer Support and Development | 146 349 | 150 000 | -6 385 | 289 964 | 282 007 | 7 957 |
| 3. Agricultural Trade and Business Development | 34 948 | – | 1 315 | 36 263 | 22 537 | 13 726 |
| 4. Economic Research and Analysis | 23 725 | – | –4 571 | 19 154 | 13 430 | 5 724 |
| 5. Agricultural Production | 5 577 | 250 | 3 544 | 9 371 | 7 153 | 2 218 |
| 6. Sustainable Resources Management and Use | 441 337 | – | 442 | 441 779 | 431 871 | 9 908 |
| 7. National Regulatory Services | 185 408 | 14 250 | 374 | 200 032 | 180 349 | 19 683 |
| 8. Planning, Monitoring, Evaluation and Communication | 75 934 | 2 368 | 7 931 | 86 233 | 80 598 | 5 635 |
| 9. Programme Planning, Monitoring and Evaluation | 5 830 | – | –958 | 4 872 | 1 269 | 3 603 |
| 10. Special functions | – | – | 977 | 977 | 977 | – |
| **Total** | **1 072 199** | **177 903** | **–** | **1 250 102** | **1 177 290** | **72 812** |

# 1 administration

The administration programme is responsible for the overall management and corporate services of the department and provides strategic leadership through the activities of the Minister, Deputy Minister, the office of the Director-General and supports senior management. The programme fulfils the responsibility of ensuring that transformation imperatives, overall security, internal audit and governance principles are adhered to. Strategic human resources management, legal and executive secretariat services and information and communication technology services are rendered by this component.

The financial management component provides financial services, procurement and asset management, debt management and disbursement and budget and planning support.

The programme consists of two main components with different directorates. The two main components are Administration and Governance and Financial Management.

## ADMINISTRATION AND GOVERNANCE

**andries goosen**
assistant director-general

### AIM

Administration and Governance specialises and focuses on internal support services with regard to information management systems, human resources management, legal services and general administrative support.

### PROGRAMME POLICY DEVELOPMENT

Effective human resources management and practices, legal advisory and support services, executive management support services and information technology services are critical to the department fulfilling its mandate.

Administration and Governance comprises the following components:

**Human Resources Management** renders an integrated human resources management service through the development of policies and practices benchmarked against best practice models. This ensures the recruitment and retention of talented and motivated staff aimed at improved service delivery.

**Information and Communication Technology** renders an information and communication technology service to ensure the easy availability of as much useable information as possible.

**Legal Services and Secretariat Services** manages and co-ordinates all the legal activities in the department and renders an administrative, secretariat and statutory support service to the department's executive committee and the intergovernmental co-ordinating mechanisms.

### PROGRAMME OVERVIEW

The department operates in a dynamic human resources management environment which is subject to transformation and change. New policies and guidelines have been developed to align practices with the latest amendments in the regulatory

framework and developments in the labour relations environment. The South African excellence model has been applied consistently for continuous service delivery improvement and quality of services. Existing performance management systems are frequently reviewed for effectiveness to support the department's overall objective of service excellence.

A new, more user-friendly Intranet was implemented and is now fully operative. Information and communication technology services have been maintained and new information systems were developed for various directorates. An information and communication technology plan was completed and certified by SITA-E.

A high standard of legal and executive support services has been maintained. Service standards have also been developed and implemented to further enhance these services.

isaac miti
senior manager

## human resources management

Human Resources Management renders an integrated service of translating business strategy into action. This is done by developing and implementing employment policies and practices benchmarked against best practice models to ensure the attraction and retention of talented and motivated staff to a caring, healthy and safe working environment aimed at improved service delivery.

### OBJECTIVES

The directorate's objectives are to promote effective human resources policies and practices, render efficient human resources administration services and promote and monitor sound employee relations.

Furthermore, the subdirectorate promotes a healthy and safe working environment by developing, facilitating and implementing appropriate norms and standards. This is done in compliance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

### ACHIEVEMENTS

During the review period the directorate adapted and implemented the senior management service performance and development system of the South African Excellence Foundation model to better suit the needs and expectations of the department. Furthermore, the department was successfully restructured in terms of Resolution 7 of 2002.

While an e-HR was installed in the employment relation's directorate for managing grievances and disciplinary hearing cases, 13 human resources policies and guidelines were successfully negotiated with organised labour.

All senior management services posts and newly established/defined posts in terms of a priority programme approved by the executive committee, were job-evaluated and 253 posts were advertised and filled within 30 days according to human resources management performance standards.

# information and communication technology

nico van sittert
senior manager

The Directorate Information and Communication Technology manages and provides information and communication technology support services to the department and ensures the easy availability of as much useable information as possible.

## OBJECTIVES

The directorate's responsibilities are to advise on the effective utilisation of information and communication technology as a strategic resource to support the implementation of agricultural policy and to represent agricultural perspectives in the formulation of national and government-wide information and communication technology strategies and policies.

Furthermore the directorate develops departmental operational guidelines for information and communication technology standards, norms, best practices and procedures in line with national policy. It also initiates, concludes and manages service level agreements with the State Information Technology Agency (SITA) and/or other suppliers of information and communication technology goods and services.

While the directorate facilitates the implementation of government-wide information and communication technology policies and strategies in the department, it also manages and directs the implementation of the agriculture geographic information system.

The directorate also provides various information and communication technology services ranging from the updating of the master information system plan to the departmental and agricultural geographical information system (AGIS) websites and information and communication technology disaster recovery.

## ACHIEVEMENTS

During the period under review two information and communication technology interns were appointed for 12 months in line with the skills development initiative of the department. The directorate has also established a partnership with SITA to develop young information and communication technology practitioners as part of a youth development programme.

The agricultural production enhancement agents systems were completed to manage all applications for the registration of agricultural products categorised as agricultural remedies, stock remedies, farm feeds, fertilisers or sterilising units. Furthermore, the agricultural statistics information systems were completed to facilitate operations and provide statistical information about livestock, wool, markets, winter and summer crops, addresses of all stakeholders and maize.

An animal disease system was also completed to monitor and control diseases that affect livestock in South Africa. The system makes information on the incidence and combating of animal diseases available nationally and internationally.

Phase 1 of the departmental agriculture phytosanitary information system was completed which provides for pest regulation measures and its outcomes, while a farmers' register was developed to keep all farmer information up to date and easily retrievable.

The human resources development system was completed to keep track of all the institutions and service providers that have a part to play in the education of agriculture. The system also captures information of allocated bursaries for agricultural education and careers in agriculture.

A seed analysis system was also completed to record outcomes of seed analysis testing while the mini food insecurity and vulnerability information and mapping system was completed and made available on AGIS. The acquisition process for a comprehensive food security system is in process.

In the period under review major maintenance was done on the animal identification system that manages the registration, update and cancellation of brand identification marks in line with the Livestock Brands Act, 1962 (Act No. 87 of 1962) as well as on the debt information management system. This system optimises the efficiency of the management of debt collection.

Major maintenance was also done on the international trade agreement system for import and export permits. This is also the case in the plant improvement system for the registration and inspection of premises according to the Plant Improvement Act, 1976 (Act No. 53 of 1976).

**tele maphoto**
senior manager

## legal and secretariat services

The main purpose of this directorate is to render legal, secretariat and statutory support services.

### OBJECTIVES

The objectives of the directorate are to render legal advice, facilitate the drafting of legislation, proclamations and regulations. It also facilitates the drafting and vetting of legal documents, for example contracts, agreements and international agreements and investigations and assists in the prosecution of criminal cases.

Furthermore, the directorate co-ordinates civil litigation, liaises with role-players and assists with the preparation of case files and also assists with legal advice regarding international activities and with the formulation of policies.

It renders a complete secretariat service to the executive management and co-ordinates appointments of councils, boards and/or trustees according to agricultural legislation, while also rendering support in terms of the Promotion of Administrative Justice Act and the Promotion of Access to Information Act.

### ACHIEVEMENTS

During the period under review the following items of legislation were translated into other official languages:

- The Performing Animal Protection Act, 1935 into isiZulu
- The Agricultural Research Act, 1990 into Sesotho
- The Plant Breeders' Rights Act, 1976 into Xitsonga
- The Marketing of Agricultural Products Act, 1996 into Tshivenda.

As regards legislation, the Animal Identification Act, 2002 (Act No. 6 of 2002) which came into operation on 21 November 2003 together with Regulations, the Animal Improvement Act, 1998 (Act No. 62 of 1998) which came into operation on 21 November 2003, the Agricultural Produce Agents Amendment Act, 2003 (Act No. 47 of 2003) which came into operation on 4 February 2004 and the Veterinary and Para-veterinary Professions Amendment Act, 2002 (Act No. 10 of 2002) which came into operation on 13 February 2004, were promulgated.

The directorate dealt with 56 regulations, including proclamations and government notices. A total of 221 formal legal opinions were furnished to the various directorates, including the Ministry and the Director-General's office.

Altogether 20 agreements were drafted or vetted and 35 court cases dealt with. Notably, among the court cases won, was one brought by some farmers in Camperdown, KwaZulu-Natal as a result of foot-and-mouth disease that engulfed the area in 2000. Although the department compensated the farmers for animals culled, they also claimed compensation for consequential losses. The court application was dismissed with cost.

During the period under review the directorate provided a secretariat service at a number of national venues to 110 high-level committee meetings. These included meetings of the Minister and members of the executive councils, intergovernmental committee and working group meetings of land care, veterinary services, agricultural economics and economic and employment cluster meetings. Secretariat services were also rendered to meetings of the departmental management and executive committees as well as the National Agricultural Research Forum and steering committee meetings.

The annual reports and financial statements of various public entities and boards or councils of non-assigned legislation were tabled in Parliament, for example the Wine and Spirit Board and the South African Veterinary Council.

The process of appointing new members to the Perishable Products Export Control Board, in terms of the Perishable Products Export Control Act, 1983 (Act No. 9 of 1983) and the Agricultural Research Council in terms of the Agricultural Research Act, 1990 (Act No. 86 of 1990), commenced during the review period. Directors were appointed to the Board of Directors of Onderstepoort Biological Products (LTD) in terms of the Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999).

# FINANCIAL MANAGEMENT

tommie marais
assistant director-general

## AIM

The Public Finance Management Act, 1999 (Act No. 1 of 1999), the Treasury regulations and the departmental financial instructions or the financial framework, prescribes the aim of the directorate. The directorate ensures sound financial management, evaluates the financial feasibility of programmes and projects, renders financial services and procurement services, manages agricultural debt and co-ordinates budgetary planning.

## OBJECTIVES

From a support services point of view the objective is to provide an enabling environment that supports the achievement of departmental objectives.

## PROGRAMME POLICY DEVELOPMENT

The directorate is composed of four directorates:

**Financial Services** renders a financial support service such as cashflow management, compilation of the annual financial statements, reconciliation of accounts, banking services, payments of salaries and allowances, revenue collection and the payment of collected revenue to the South African Revenue Service.

**Debt Management and Disbursements** is responsible for the management of agricultural debt and relevant securities, including claims in insolvent and deceased estates.

**Procurement and Asset Management** renders support services such as tender administration, asset management, transport, accommodation and its maintenance. It is also responsible for the implementation of the new supply chain management system.

The Subdirectorate **Budgets** is responsible for budgetary planning and co-ordination and expenditure reporting.

dirk henrico
senior manager

## financial services

The main purpose of this directorate is to render a financial service in the framework of the Public Finance Management Act, 1999 (Act No. 1 of 1999), Treasury regulations, and the departmental financial instructions.

### OBJECTIVES

The objectives of the directorate are the payment of salaries, allowances and claims, the maintenance of Paymaster-General and commercial bank accounts, monthly reconciliation of bank accounts and requisitioning of funds to finance daily expenditure. It is also responsible for the reconciliation of income tax and the issuing of IRP5 certificates, the management of revenue collected and payment of revenue to the South African Revenue Service, administering of departmental debt and maintaining financial records and compiling annual financial statements.

The directorate also manages audit queries and matters relating to the Standing Committee on Public Accounts, conducts departmental financial inspections and handles losses and damages to state property.

### ACHIEVEMENTS

To alleviate the administrative burden of the monthly administration of official cell phones, a new departmental cellphone policy was implemented. Departmental cellphone contracts were transferred to qualifying employees who now receive a cellphone allowance and pay their own accounts.

To enhance the reporting of thefts, losses and damages to state property, local loss control officers were trained in the correct procedures when such incidents need to be reported.

Resulting from the implementation of the basic accounting system during the latter part of 2002, the subdirectorate compiled new financial procedure manuals for processes and controls.

A policy to regulate the handling of gifts, donations and sponsorships was approved, while procedures to streamline purchases from petty cash were revisited.

Measured against the service standards, the directorate succeeded to process 98% of all payments and other related financial actions within the timeframes.

On instruction of the National Treasury preparations to implement the standard chart of accounts was implemented on 1 April 2004.

johan venter
senior manager

## debt management and disbursement

The main purpose of this directorate is recovering agricultural debt and managing relevant securities.

Functions are executed in the legal framework of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Deeds Registries Act, 1937 (Act No. 47 of 1937), the Administration of Estates Act, 1965 (Act No. 66 of 1965), the Insolvency Act, 1936 (Act No. 24 of 1936) the Security by Means of Movable Property Act, 1993 (Act No. 57 of 1993), the State Land Disposal Act, 1961 (Act No. 48 of 1961), the Treasury regulations and the departmental financial instructions.

## OBJECTIVES

The objectives of the directorate are the recovering of agricultural debt by administering repayment agreements as well as claims in insolvent and deceased estates. It also manages agricultural debt securities through monitoring and controlling, administers consents on limitations and executes inspections of agricultural debt securities and administers write-offs.

## ACHIEVEMENTS

In the period under review the debt recovery programme resulted in a 9,4 % reduction in the total outstanding debt in the agricultural debt account. In March 2004 the total outstanding debt amounted to R686 819 860, compared to R758 196 809 in March 2003.

On 31 March 2004 the number of debtors decreased by 777, from 5 317 to 4 540 while the number of accounts decreased by 1 361, from 8 282 to 6 921. Altogether 2 724 inspections of debtor securities were conducted.

# Procurement and asset management

roewyn danster
senior manager

The main purpose of this directorate is the rendering of a procurement and asset management service in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the State Tender Board Act, 1968 (Act No. 68 of 1968), the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), the Treasury regulations and the departmental financial instructions.

## OBJECTIVES

The objectives of the directorate are the rendering of transport services, handling of tender administration, rendering of procurement and asset management services as well as handling office accommodation requirements.

## ACHIEVEMENTS

During the period under review procurement personnel of the Grootfontein Agricultural Development Institute was transferred to the directorate and the manual procurement system converted to the logistical information system.

The restructuring of the department necessitated more office space at head office. This resulted in the purchasing of the Maize Board Building. To effectively manage the accommodation requirements, a comprehensive database of office and residential accommodation was compiled.

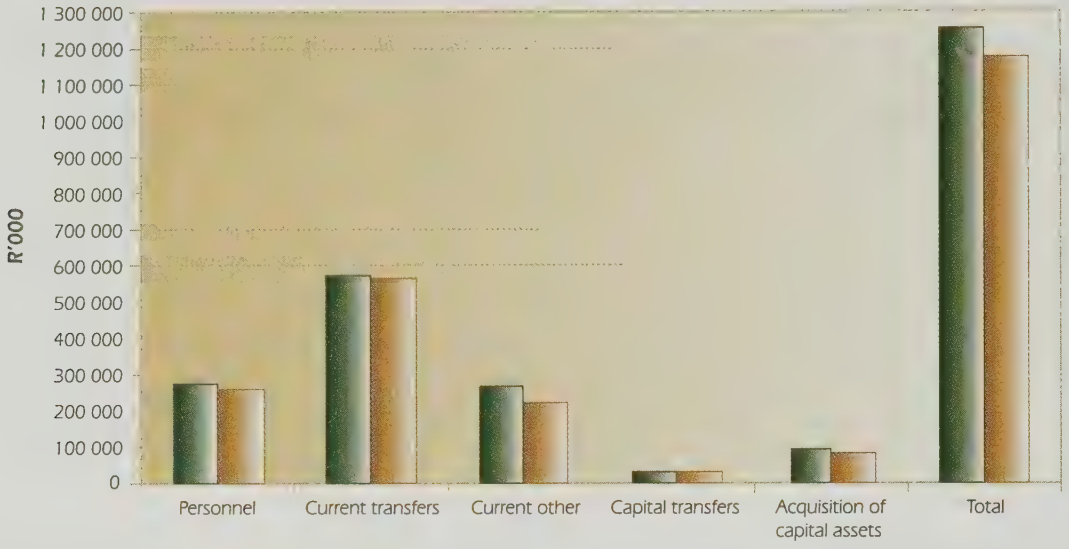
To enhance transport control, 88 local transport officials were appointed and trained. The transport policy was also revised and incorporated in the departmental financial instructions.

koos geldenhuys
deputy director

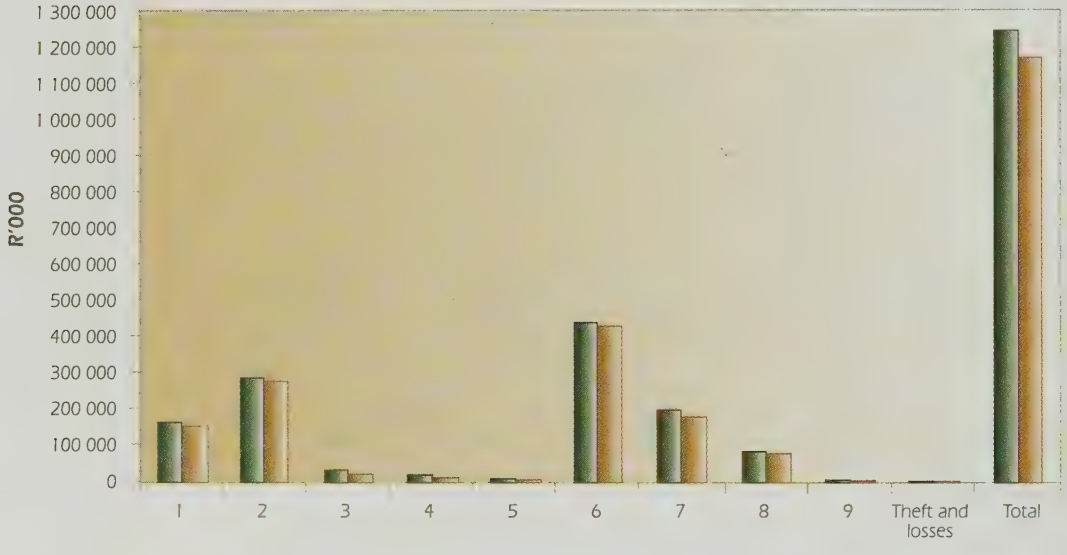
# Budgets

This subdirectorate's main purpose is to render a budget co-ordination service. The functions are executed in the framework of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Treasury regulations, the Treasury guidelines: Preparing budget submissions, the Division of Revenue Act, 2003 (Act No. 7 of 2003) and the departmental financial instructions.

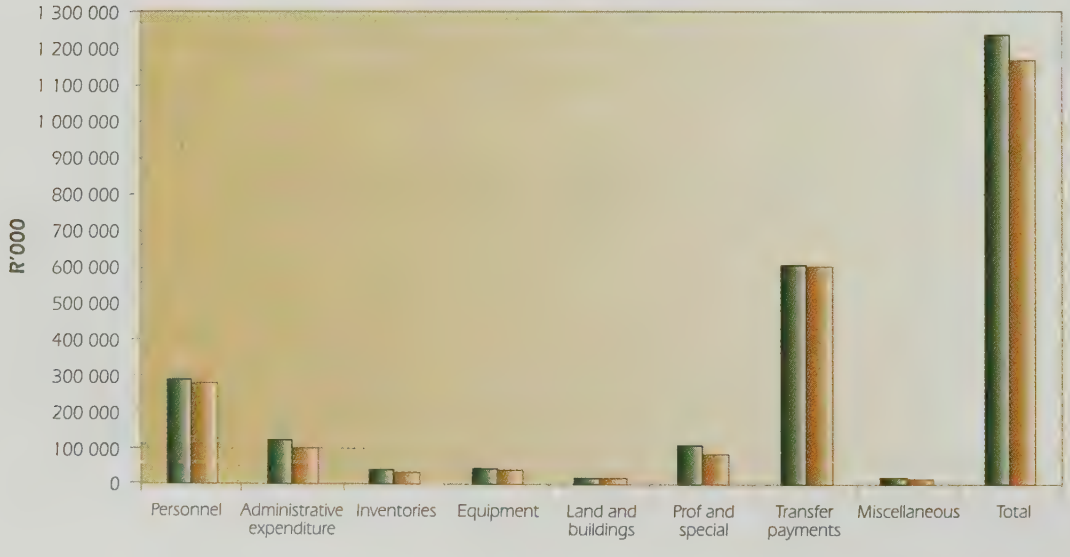
**Economic classification—voted vs actual expenditure**




**Programmes—voted vs actual expenditure**




**Standard items–voted vs actual expenditure**



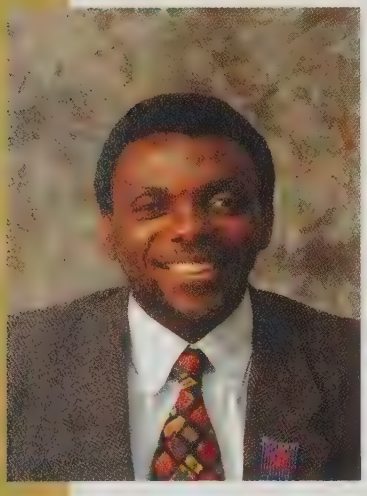
## OBJECTIVES

The objectives of the subdirectorate are to co-ordinate the state of expenditure inputs, medium-term expenditure committee submission and the estimates of national expenditure inputs. Furthermore, it is responsible for reporting on expenditure and departmental revenue to the National Treasury, the Minister, Deputy Minister and the Director-General and for co-ordinating and submitting the monthly state of expenditure to the departmental executive committee.

It also renders budget-related assistance, maintains budgetary structures, handles virements, shifts funds and handles roll-over requests and updates the budget on the basic accounting system. It is also responsible for disbursement of funds in terms of the Division of Revenue Act, 2003, rendering a secretarial and support service to the departmental control committee, including the management of departmental entertainment expenditure and maintaining the departmental rate structure.

## ACHIEVEMENTS

The subdirectorate has seen to the timeous submission of the estimate of expenditure, the adjustments estimate and the monthly early warning reports to the National Treasury. It was also instrumental in the successful implementation of the standard chart of accounts. Comparisons between the voted funds and actual expenditure are reflected in the graphs.



the late **peter ngobese**
assistant director-general

# 2 farmer support and development

## AIM

The Programme Farmer Support and Development focuses on developing national policies for farmer settlement, food security, rural development, agricultural risk and disaster management. It also focuses on the registration of co-operatives. Policies are aimed at ensuring the restructuring of the agricultural sector to promote equity, competitiveness, sustainability and growth as well as transformation to support the long-term vision of a united and prosperous sector.

## PROGRAMME POLICY DEVELOPMENT

The programme comprises five directorates:

**Farmer Settlement** provides support for the settlement of commercially viable farmers from previously disadvantaged communities, with the primary focus on implementing the Land Redistribution for Agricultural Development (LRAD) programme.

**Financial Services and Co-operatives** provides training and institutional support to agricultural co-operatives and develops policies and programmes for co-operatives in the sector. It also implements, monitors and designs agricultural credit schemes to broaden access to financial services for smallholder producers.

**Food Security and Rural Development** develops policies on food security, manages early warning systems for food security, finances special projects aimed at achieving household food security and facilitates the implementation of the integrated food security and nutrition programme.

**Agricultural Risk Management** develops agricultural risk and disaster management systems to ensure that agricultural enterprises can anticipate disasters and grow and develop in the aftermath of natural disasters.

**The Registrar of Co-operatives** is responsible for the administration of the Co-operatives Act that facilitates registration of all co-operatives in South Africa. This function will be transferred to the Department of Trade and Industry and the focus of the Department of Agriculture will be on supporting the development of agricultural co-operatives.

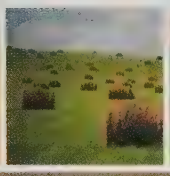
## PROGRAMME OVERVIEW

During the review period the Integrated Food Security and Nutrition Programme (IFSNP) was adopted as a social cluster priority and the agrometeorological committee established to deal with risk and disaster management.

A total of 19 736 beneficiaries of the LRAD programme were resettled on 387 485 ha of agricultural land.

The programme also awarded a tender for the Food Insecurity and Vulnerability Information Management System (FIVIMS) and oversaw a business model for an integrated co-operative development system, based on the policy and strategy for co-operative development in agriculture.

Agriculture starter packs were distributed to 36 899 households through the Land Bank.



## KEY OUTPUTS INDICATORS AND TARGETS

| Directorate | Output | Measure/Indicators | Target | Status/comment |
|---|---|---|---|---|
| Farmer Settlement | Viable farm business | Number of viable businesses in place | Number of viable businesses by March 2004 | Just over 60 % of the projects are operational and the rest are in progress or pending the implementation of CASP |
| Financial Services and Co-operatives | An agricultural co-operatives development programme | Number of agricultural co-operatives established | An agricultural co-operatives development programme in place | Draft agricultural co-operatives development programme in place by March 2004 |
| Food Security and Rural Development | Production support packages and info packs | Number of food insecure households reached | 200 000 food insecure households access production support packages and info packs by March 2004 | 244 000 food insecure households received food parcels and 37 000 households received agricultural starter packs |
| Agricultural Risk and Disaster Management | Agricultural risk insurance scheme in place | Number of farmers participating in the insurance scheme | 5 000 farmers participate in the agricultural risk insurance scheme by March 2004 | Agricultural Risk Insurance Bill was submitted to cabinet and social and economic clusters for discussion. Bill is being discussed further with National Treasury and Department of Provincial and Local Government to consider linking it with the the Disaster Management Act, 2002 (Act No. 57 of 2002) |
| Registrar of Co-operatives | Transfer of the function to Department of Trade and Industry | Transfer completed | Transfer to becompleted by end of March 2004 | Transfer to Department of Trade and Industry still in progress |

## farmer settlement

The main purpose of this directorate is to provide support for the settlement of commercially viable farmers from the previously disadvantaged communities. This is done by strengthening institutional systems, providing a supportive infrastructure and launching special projects in accordance with the agrarian reform policy framework. The aim is to transfer 30 % of all agricultural land to the previously disadvantaged by 2015.

**sam malatji**
**senior manager**

### OBJECTIVES

The objectives of the directorate include the formulation and development of the farmer-to-farmer mentorship programme, the implementation of the LRAD programme and the management of the disposal of state agricultural land and state owned agricultural projects.

## ACHIEVEMENTS

### Policy

The farmer-to-farmer mentorship document has been approved with some comments that are receiving attention and the final document was tabled at the agricultural sustainable rural development committee at the end of June 2004.

### Programmes and projects

The training of land reform beneficiaries has progressed well in all provinces. Training is still continuing in the North West and Northern Cape provinces while additional training was conducted in Western Cape and KwaZulu-Natal between January and March 2004. Training is being monitored monthly. In the review period 3 090 farmers were trained. The following table reflects training conducted so far (per province):

| Province | Service provider | Number of farmers (cumulative) | Total costs incurred (cumulative) R |
|---|---|---|---|
| Western Cape | Elsenburg College | 647 | 226 360 |
| | | 496 | 158 000 |
| Free State | Glen College and UOFS, CCER Company and Marang cc. | 723 | 538 537 |
| Limpopo | Tompi Seleka and Madzivhandila | 226 | 823 895 |
| KwaZulu-Natal | Cane Growers' Association | 88 | 249 959 |
| | SA Flower Export Council | 28 | 150 000 |
| Mpumalanga | MRTT | 189 | 249 714 |
| Eastern Cape | Fort Cox College | 250 | 437 677 |
| Gauteng | ARC | 115 | 190 000 |
| Northern Cape | Skills for Africa | 98 | 172 000 |
| North West | Various | 230 | 286 423 |
| **Total** | | **3 090** | **3 482 565** |

The cost per farmer varies from R320 to R5 350 with an average cost of R2 835. This represents a percentage deviation of 89 and 188 percent from both extremes. The reasons for these deviations are the differences in the duration of the course, the technical content and in some cases the fact that the course fee includes accommodation costs as well. In Tompi Seleka, for example, a vegetable course is a fully-fledged practical course, extending over three months.

### Land redistribution for agricultural development delivery

A total of 19 736 people have so far benefited from the LRAD delivery programme. The land hectarage acquired by these beneficiaries amounts to 387 485 ha. Most of these projects have not yet started with farming owing to problems relating to the transfer of land and lack of financial resources to buy production inputs.

LRAD SUMMARY (CUMULATIVE)

| Province | Farmers | Area (ha) |
|---|---|---|
| Gauteng | 398 | 2 068 |
| Free State | 1 513 | 49 420 |
| Mpumalanga | 6 479 | 72 782 |
| North West | 1 579 | 35 153 |
| Northern Cape | 467 | 53 878 |
| Limpopo | 368 | 26 671 |
| Western Cape | 5 145 | 44 450 |
| Eastern Cape | 2 122 | 65 416 |
| KwaZulu-Natal | 1 691 | 37 647 |
| **Total** | **19 762** | **387 485** |

## Agricultural state land administration

LAND ADMINISTRATION ACTIVITIES

| Activity | Total/extent |
|---|---|
| Leases | |
| New | 1 |
| Renewals/approvals awaited from Public Works | 48 |
| Referrals to state attorneys | 3 |
| Legal advises by legal services | 14 |
| Registration of servitudes | 1 |
| Evictions/termination of contracts | 12 |
| Termination of caretaker's agreement | 9 |
| Rental collection | R125 278 |
| Offers to purchase, Sec 28(1) | 4 |
| Valuations | 58 |
| Number of farms advertised | 40 |
| Visit to farms | 91 |

The management agreement for the farm Sondela in Stanger, KwaZulu-Natal was terminated on 30 March 2004 and a lease agreement with an option to purchase entered into with a qualifying land reform beneficiary.

STATUS OF FINANCIAL ASSISTANCE PROPERTIES ON 30 MARCH 2004

| Province | Leased (ha) | Vacant (ha) | Restitution claims (ha) | Lessees | Properties total | Total (ha) |
|---|---|---|---|---|---|---|
| Gauteng | 9,00 | 0 | 0 | 1 | 1 | 9,00 |
| KwaZulu-Natal | 6 626,63 | 338,03 | 664,01 | 13 | 17 | 6 964,65 |
| Mpumalanga | 5 702,06 | 1 006,15 | 0 | 15 | 18 | 6 708,21 |
| Limpopo | 4 299,66 | 63,13 | 2 331,44 | 7 | 13 | 4 362,79 |
| Northern Cape | 20 719,50 | 4 530,95 | 20 719,50 | 1 | 20 | 25 250,45 |
| North West | 8 890,33 | 3 497,15 | 1 759,92 | 14 | 15 | 12 387,48 |
| Eastern Cape | 27 103,85 | 0 | 0 | 3 | 22 | 27 103,85 |
| Free State | 2 139,39 | 584,26 | 0 | 19 | 33 | 2 723,64 |
| Western Cape | 1 833,78 | 16 569,80 | 0 | 8 | 14 | 18 403,59 |
| **Total** | **77 324,20** | **26 589,47** | **25 474,87** | **81** | **153** | **103 913,67** |

| | |
|---|---|
| Leased | 77 324,20 |
| Vacant | 26 589,47 |
| | 103 913,67 |

Jenetha mahlangu
senior manager

## financial services and co-operative development

The directorate provides a national policy framework for agricultural financing as well as a framework for national legislation on the basis of which provincial legislation will be passed. It designs financial instruments with provincial line departments aimed at broadening access to finance and controls and monitors the financial instruments to ensure their effective use and eliminate unfair competition.

## OBJECTIVES

The objectives of the directorate are developing a co-operative development support programme in the sector, building a sustainable rural finance system with outreach to the rural poor and fostering stakeholder participation, including the poor, in the development of rural financial services. It also provides a legal, institutional framework for the provision of agricultural financial support and builds a diversified rural financial infrastructure.

## ACHIEVEMENTS

Measured against the core objectives, the programme achieved a considerable degree of success during the period under review.

### Policy

The draft policy on agriculture and rural financial services was completed in consultation with development finance institutions, commercial banks, the National African Farmers' Union, Agri SA, financial services co-operatives and provincial departments of agriculture and presented to the executive committee for final approval.

The departmental executive committee also approved the draft policy and strategy on co-operative development in the agricultural sector and it was submitted to the Intergovernmental Technical Committee for Agriculture (ITCA) for endorsement and release for comments by relevant stakeholders.

### Legislation

The draft Agriculture Development Finance Bill under consultation with the development finance working group comprising development finance institutions, commercial banks, the National African Farmers' Union, Agri SA, financial services co-operatives and commodity groups was presented to the executive committee for approval.

### Client and public interaction

During the period under review the directorate facilitated and co-ordinated activities on co-operative promotion and development among working groups in the national and provincial departments of agriculture, finance and economic affairs departments, the local and district municipalities of Limpopo, KwaZulu-Natal, Mpumalanga, North West, Northern Cape and Eastern Cape. This resulted in the development of a database that is used to identify and link developing co-operatives with possible existing beneficial empowerment initiatives.

A newly established central co-operative structure which will act as a service organisation for 68 operational financial services co-operatives, was presented to the joint working committeein February 2004. The committee comprises the Reserve Bank, the National Treasury, the Department of Agriculture and the Registrar of Co-operatives. The joint working committee recommended the application to the Registrar of Banks who requested a presentation to the Financial Co-operatives of South Africa board for final approval.

A steering committee for Kgalagadi Dipudi Secondary Co-operative Enterprise, comprising eight goat primary co-operatives, was established in July 2003. It was registered as a central co-operative to mobilise infrastructure, identify market opportunities and play an advocacy role for all goat farmers in the district.

## Products and services

CO-OPERATIVE TRAINING AND DEVELOPMENT

| Course name | Province | Attendance | Male | Female |
|---|---|---|---|---|
| Co-operative information sessions | Eastern Cape | | | |
| | Umzimvubu | 24 | 20 | 4 |
| Co-operative management | North West | | | |
| | Emang Tinang Women's Co-op | 21 | | 21 |
| | Iphutheng Youth Co-op | 12 | 8 | 4 |
| | Ntshidiseng Basadi Livestock Co-op | 34 | 11 | 34 |
| | Botshelo Co-op | | | 2 |
| Co-operation formation session | Northern Cape | | | |
| | Pofadder | 23 | 20 | 3 |
| | Onseepkans | 15 | 7 | 8 |
| | Strydenburg | 17 | 12 | 5 |
| Member development | KwaZulu-Natal | | | |
| | Msinga Producer Co-op | 26 | 12 | 14 |
| Co-operative management | Eastern Cape | | | |
| | Mount Ayliff Goat Co-op | 23 | 14 | 9 |
| Financial management | Free State | | | |
| | ThabaNchu Financial Services Co-op | 11 | 3 | 8 |
| Promoting co-operation among co-ops<br>Linking producer co-ops with processing co-ops | Limpopo<br>Bohlabelo and Kitlametswe Poultry Production Co-op are linked to a champagne processing co-op in Bushbuckridge, operates an abattoir receiving 500 live chickens from primary co-ops daily | 64 | 40 | 24 |
| Promoting co-operative trade | Eastern Cape<br>Linking goat production co-ops from Mount Frere, Mount Ayliff, Maluti and Umzimkulu to Umzimvubu goat processing enterprise | 42 | 29 | 12 |
| Financial reporting | KwaZulu-Natal<br>– 4 financial services co-ops | 24 | 16 | 8 |
| | Mpumalanga<br>– 5 financial services co-ops | 62 | 40 | 22 |
| | North West<br>– 8 financial services co-ops | 38 | 22 | 16 |

DESIGNING OF AGRICULTURAL FINANCE SCHEMES AND SERVICES

The department appointed a working group on agricultural development finance, comprising stakeholders such as commercial banks, development finance institutions, financial services co-operatives, farmers' organisations, provincial departments of agriculture, commodity groups and provincial departments of finance. The purpose of the working group is to assist the department in developing an agricultural development finance legislative framework and finalise the strategies and policy framework on agriculture and rural finance. Furthermore, it needs to translate the finance policy into implementable strategies by designing financial instruments and agriculture credit schemes.

The objective of the agricultural credit schemes is to broaden and extend financial services to emerging farmers across the agricultural value chain.

The task team to design agriculture finance schemes started in November 2003 and activities include profiling existing financial services products and clients serviced by development financial institutions and other similar institutions. It also had to identify a reference group within the task team for the design of grant, credit, investment and insurance-related schemes.

The team identified gaps and assessed the demand and supply for finance access and reviewed documentation of all programmes in the department. It also established product priorities and the role of commercial banks in delivery for both emerging and small-scale farmers and determined the criteria according to which prioritisation of financial schemes/instruments will be effected. It has aligned and leveraged other governmental programmes and strategic plans and initiatives.

Project financing, capacity development and the credit fund for refinancing schemes were targeted as "quick wins" based on ease of implementation and impact. These will be fast tracked for service delivery to ensure equitable access and sustainable participation for short to medium-term delivery.

A core group from the extended working group will fast track this process. The core group will detail the design of each "quick win" scheme, develop terms of reference for the implementation unit, service level agreements between financial institutions and the department and design systems, policies and procedures to implement and monitor the performance of the schemes.

### International

Collaboration with Italian co-operatives is in progress while the draft project proposal for co-operative development in South Africa has already been developed. The signing ceremony for the implementation of the twinning agreement for co-operative development between Reggio Emillia and Polokwane Municipality in Limpopo took place in June 2004.

Collaboration with the International Co-operative Alliance's regional office for east central and Southern Africa under the rural finance project is making good progress.

The development objective of the rural finance project is that co-operative and similar organisations provide effective financial services to low-income rural people, thereby contributing to increased income-generating capacity and reduction of poverty.

One of the specific objectives of the project is to design a co-operative rural micro-finance model, covering the promotion and operations of Saccos. The aim is to have at least ten pilot projects executed by partner organisations and to eventually make it available via all major co-operative micro-finance support organisations in the region.

mangi ramabenyane
senior manager

## food security and rural development

The main purpose of this directorate is to develop policies, norms and standards for food security, through the establishment of a national food security management system. This system provides information to government, international partners, as well as all role-players in civil society, to guide their plans of action against food insecurity and malnutrition. It will contribute towards poverty alleviation, rural development and overall economic growth.

For this purpose, the directorate facilitates food security policy and legislation development, implementation and review. It facilitates integrated food security programme design, planning and implementation as well as rural development and urban renewal information support.

The directorate also acts as the focal point for the implementation of the food production and trade component of the government-wide Integrated Food Security and Nutrition Programme (IFSNP).

## OBJECTIVES

The objectives of the directorate are to develop, implement and conduct annual food security policy reviews and to establish and maintain an effective Food Insecurity and Vulnerability Information Mapping System (FIVIMS). The directorate designs and co-ordinates the planning and implementation of multisectoral food security programmes. It also co-ordinates and monitors agricultural contribution and investment to the Integrated Sustainable Rural Development Programme (ISRDP), as well as on the Urban Renewal Programme (URP).

## ACHIEVEMENTS

During the year under review, the focus of the directorate has been on establishing and maintaining a national management system for the effective implementation, monitoring and evaluation of, as well as reporting on food security policies, programmes and projects.

### Legislation

The Intergovernmental Working Group of the Committee on World Food Security of the Food and Agriculture Organization (FAO) commissioned a South African case study to develop voluntary guidelines on the implementation on the right to food in the national context. The outcomes will lead to the finalisation of the Food Security Bill.

### Client and public interaction

A programme management unit was established with the purpose of co-ordinating the Special Programme for Food Security (SPFS), which impacts on the Comprehensive Agriculture Support Programme (CASP) in that it is a targeted programme for subsistence farmers, including food producing households and community gardens, including school gardens.

The FAO-RSA SPFS Unilateral Trust Fund Project Agreement was signed by the Minister in December 2003 in Rome, Italy. The pilot SPFS subsequently was launched in Limpopo Province in March 2004, as one of the side-events and an FAO high level Ministerial field trip was undertaken during the 23 rd FAO Africa Regional Conference.

The IFSNP task team has been established with the purpose of co-ordinating food security activities in all the relevant sectors. This team provides technical support to the social sector cluster of Directors-General and addresses food security as one of the priority strategic issues.

World Food Day was celebrated on 16 October 2003 with the theme: Fighting hunger to reduce poverty and sponsored by the International Alliance. It was celebrated in various provinces as part of the food security campaign. The directorate donated some T-shirts and seed packs as promotional material while some provinces used the event for the handing out of agricultural starter packs.

### Programmes and projects

INTEGRATED FOOD SECURITY AND NUTRITION PROGRAMME

The IFSNP is a government-wide programme that aims to eradicate hunger and malnutrition by supporting and strengthening the implementation of a series of national, provincial and local interventions that contribute and improve access to adequate food supplies, which is required for a healthy and active lifestyle for all South Africans at all times.

The ongoing activities of the IFSNP entails the following:

- Special Programme for Food Security
  The SPFS was officially launched during the FAO-ARC Conference, on 3 March 2004 in Limpopo Province. This followed the signing of a project agreement with the FAO by the Minister for Agriculture and Land Affairs in December 2003 in Rome. About 3 000 households will benefit from this programme. Job creation and infrastructure development will also

be improved. Altogether R10 million was transferred to KwaZulu-Natal, Limpopo and the Eastern Cape Province for the implementation of the SPFS.

- Food Insecurity Vulnerability Information and Mapping System

  A tender to the value of R2,3 million was awarded to a consortium of six institutions, the HSRC, CSIR, ARC, University of Western Cape, University of Cape Town and Witwatersrand and a private information technology company to establish and pilot a FIVIMS programme in Sekhukhune ISRDP node. The programme seeks to profile the food insecure and will serve also as both a decision-making and impact-monitoring tool.

- Agricultural Starter Pack Programme

  The initial deliveries of agricultural starter packs took place in February and March 2004. To date, 37 000 households have received agricultural starter packs. A total number of 244 000 households benefited from the National Food Emergency Programme run by the Department of Social Development.

- Integrated Sustainable Rural Development and Urban Renewal Programmes

  The ISRDP and URP share the intent of providing geographical focus for testing the ability of government at both the horizontal and vertical delivery programmes that change the quality of peoples' lives. It is within these programmes that the unit facilitates the promotion, implementation and accurate reporting on the IFSNP projects in the designated nodes. More than 92 projects have been instituted since 2002. Various projects and farmers' associations benefited from these activities, such as the provision of stock-watering points, boreholes, awareness campaigns (for example on insect pests such as the larger grain borer), improvement of crop, dairy and livestock production, combating of erosion by the erection of various soil conservation structures and the provision of soil conservation infrastructure.

## Products and services

A mini FIVIMS has been established, using the datasets available in the agricultural geographic information system (AGIS).

The National Food Security Status Report was submitted to the Committee on Food Security. Heads of states committed themselves to reporting on the status of food security on an annual basis.

A draft IFSNP document is still in the process of being finalised by FAO consultants.

### Intergovernmental

The Intergovernmental Working Group on the Right to Food is in place. This is a forum where different countries meet to establish and implement voluntary guidelines to the right to food.

### International

South Africa reports annually on the country's national food security status to the Committee on World Food Security. The committee has a mandate to act as a forum in the United Nation's system to monitor the implementation of the plan of action, as adopted by the World Food Summit. South Africa co-chairs the bureau of the Committee on World Food Security.

### Organisational

The process of drafting the proposal for the establishment of the National Food Security Agency is underway.

# agricultural risk management

Ikalafeng kgakatsi
senior manager

Effective risk management is regarded as being of critical importance for the promotion of risk management tools, such as agricultural insurance products, assets protection and the future agricultural markets.

The purpose of the directorate is to provide a national policy framework for agricultural risk and disaster management and to design an agricultural risk management strategy. The directorate ensures effective planning, establishment and implementation of an early warning system in support of risk management, which will provide adequate access to, and utilisation of, timely, accurate, relevant and free information about the weather. It also co-ordinates post-disaster recovery and rehabilitation programmes and develops the necessary schemes to provide farmers with assistance.

## OBJECTIVES

The objectives of the directorate are to formulate and implement a drought management strategy, facilitate the drafting of the agricultural risk and disaster management plans and Agricultural Risks Insurance Bill, reimburse farmers who were affected by the floods of 2000 and issue early warning monthly advisories to the sector. Furthermore, the directorate designs and implements disaster schemes, assists farmers during the droughts, empowers extension officers to interpret weather and climate information and conveys this information to farmers. It also conducts awareness to provincial departments of agriculture and organised agriculture about risk and disaster management.

## ACHIEVEMENTS

### Policy

A task team developed a drought management strategy, as mandated by the Disaster Management Act, 2002 (Act No.57 of 2002). The draft strategy will be presented to the executive committee and then to the Intergovernmental Technical Committee on Agriculture (ITCA). The draft drought management strategy will be workshopped further in the provinces for public comment.

The agricultural risk and disaster management plan was drafted and will be amended, based on guidelines and framework from the Department of Provincial and Local Government in line with the Disaster Management Act, 2002 (Act No. 57 of 2002). The framework was published in the Government Gazette for public comment.

### Legislation

During the period under review, the Agricultural Risks Insurance Bill was submitted to Cabinet and later to the social and economic clusters for discussion. The directorate discussed the bill further with the National Treasury and the Department of Provincial and Local Government with a view to link the bill with the Disaster Management Act, 2002 (Act No. 57 of 2002).

### Client and public interaction

At least 20 000 farmers were assisted with the completion and verification of applications to the drought relief scheme. A further 189 farmers were assisted, following the 2003 Montagu flood disaster. The directorate organised workshops and meetings with stakeholders to discuss policy frameworks. Approximately 500 participants, from provincial departments of agriculture employees, organised agriculture, bigger municipalities to provincial disaster management employees attended the awareness campaign on risk and disaster management.

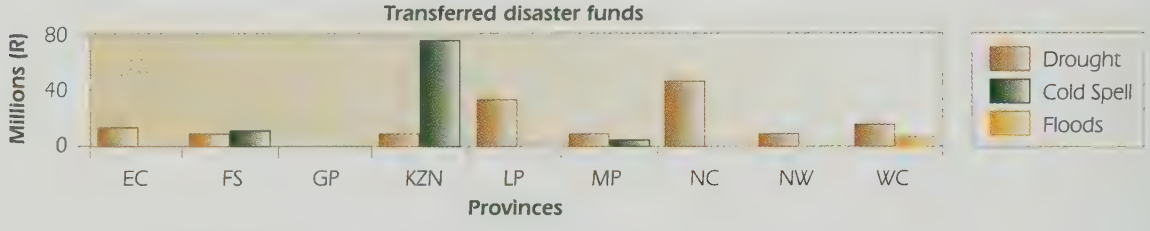
## Programmes and projects

The pilot awareness programme on weather/climate interpretation was extended to three other provinces, Western Cape, Northern Cape and KwaZulu-Natal. A total of 53 extension officers attended interpretation courses in the utilisation of weather and climate forecasts.

By March 2003 an amount of R7 million had been transferred to the provinces of Mpumalanga, Free State, KwaZulu-Natal, Eastern Cape and North West for distribution among beneficiaries. The directorate assisted provincial departments of agriculture and farmers to complete proposals for drought disaster relief in eight provinces, excluding Gauteng.

The assistance for the cold spell relief scheme of 2001 was transferred to the affected provinces. An amount of R244,8 million for disaster assistance was transferred to the affected provinces.

DISASTER ASSISTANCE FUNDS TRANSFERRED TO THE PROVINCES




The Land Bank continued with the payments for the flood 2000 scheme. A total of 481 farmers received assistance valued at R25,750 million.

TOTAL NUMBER OF FARMERS ASSISTED ON FLOOD 2000 SCHEME

| | Communal | Small scale | Commercial | Total |
|---|---|---|---|---|
| Eastern Cape | – | – | 3 | 3 |
| Free State | – | 2 | 1 | 3 |
| Gauteng | – | – | 1 | 1 |
| KwaZulu-Natal | – | 1 | 11 | 12 |
| Limpopo | 37 | 91 | 85 | 213 |
| Mpumalanga | 12 | 13 | 20 | 47 |
| Northern Cape | – | – | 117 | 117 |
| North West | 2 | 4 | 40 | 46 |
| Western Cape | 6 | 4 | 31 | 41 |
| **Total** | **57** | **115** | **309** | **481** |

TOTAL AMOUNT PAID OUT TO FARMERS ASSISTED IN THE FLOOD 2000 SCHEME

| Province | Communal R | Small scale R | Commercial R | Total R |
|---|---|---|---|---|
| Eastern Cape | – | – | 249 108,00 | 249 108,00 |
| Gauteng | – | – | 107 100,00 | 107 100,00 |
| Free State | – | 18 750,00 | 14 925,00 | 33 675,00 |
| KwaZulu–Natal | – | 2 385,00 | 1 120 844,25 | 1 123 229,25 |
| Limpopo | 662 830,45 | 879 072,75 | 4 313 553,22 | 5 855 456,42 |
| Mpumalanga | 37 697,15 | 30 345,12 | 2 751 200,51 | 2 819 242,78 |
| Northern Cape | – | – | 8 509 813,83 | 8 509 813,83 |
| North West | 13 950,00 | 85 500,00 | 2 582 338,58 | 2 681 788,58 |
| Western Cape | 664 620,00 | 152 580,00 | 3 553 767,00 | 4 370 967,00 |
| **Total** | **1 379 097,60** | **1 168 632,87** | **23 202 650,39** | **25 750 380,86** |

### Products and services

The directorate presented an early warning workshop for employees of the department, provincial departments of agriculture representatives and experts in the fields of weather and climate to discuss the prospects of the 2003/4 season.

The National Agrometereological Committee met four times to analyse weather/climate information and to consider the conditions in the provinces. A monthly advisory for the agricultural sector is produced, which is also available on the departmental and the agricultural geographical information system (AGIS) websites.

The directorate facilitated training and awareness in agricultural risk and disaster management and assisted with the establishment of a disaster database.

### Intergovernmental

The directorate participated in the drought task team formed by the Departments of Provincial and Local Government, Agriculture, Social Development, Health and the National Treasury. The task team drafted a cabinet memorandum. It also represents the department in the government and national committee on climate change.

### International

The directorate participated in the seventh Southern Africa Regional Outlook Forum, held in Zimbabwe. Scientists from regional and international communities, including users of climate forecasts, attended. The consensus climate forecast for the October 2003 to March 2004 rainfall season for Southern Africa was issued, stating that for the northern part of the SADC region, normal to above normal rainfall could be expected, while the rest of the region could expect normal to below normal rainfall.

The directorate also attended the regional agrometeorological workshops in Zimbabwe to discuss the application of climatic information for sustaining agricultural production and food security in the SADC region.

The directorate also attended the Early Warning and Vulnerability Assessment Committee workshops in Botswana to discuss the new roles of the regional early warning unit after its incorporation into the SADC Food, Agriculture and Natural Resources. The need to establish the Vulnerability Assessment Committee in South Africa was also discussed.

The directorate furthermore attended the conference of parties in Milan where the synergies between the Rio conventions were debated.

Discussing the information to be presented at a meeting of the National Agrometeorological Committee are from left Ms Mahlatse Phaladi, an agricultural scientist at the Directorate Agricultural Risk Management, Mr Brilliant Petja of the ARC and Mr Ikalafeng Kgakatsi, Senior Manager: Agricultural Risk Management

rector rapoo
acting registrar

# Office of the registrar of co-operatives

The main purpose of this directorate is to provide for the formation, registration and supervision of co-operatives and it is mandated to administer the Co-operatives Act, 1981 (Act No. 91 of 1981). It also facilitates increased agricultural enterprise ownership by the previously disadvantaged and promotes the establishment of co-operatives in poor rural communities.

## MAIN AREAS OF RESPONSIBILITY

The subirectorate is responsible for the registration, liquidation and deregistration of co-operatives, as well as for facilitating amalgamations and conversions. It answers queries from the agricultural sector and provides the sector with information as well as business planning support. Furthermore, it is also responsible for monitoring and analysing the financial statements of co-operatives.

## ACHIEVEMENTS

### Legislation

The draft Co-operatives Bill will be tabled in parliament this year. The bill has since been transferred to the Department of Trade and Industry for administration purposes.

### Products and services

During the period under review, a total of 168 co-operatives had been struck off the register in terms of sections 45 of the Co-operatives Act, while 25 co-operatives were in the process of being removed from the register. By the end of the review period six liquidations had been finalised while 24 were being processed. As a result of the steps that have to be followed in terms of the Co-operative Act, this is a lengthy process. However, progress in this regard is being monitored regularly.

All statistical data on co-operatives were finalised during the period under review. The database is available on the departmental website, at universities, commercial banks and at the Office of the Registrar of Co-operatives.

A total of 520 co-operatives were registered in terms of the Co-operatives Act during the review period. These included 84 agricultural co-operatives and 436 trading co-operatives. A total of 106 applications for registration received attention.

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# 3 agricultural trade and business development

attie swart
assistant director-general

## AIM

This programme promotes trade, international and domestic market access, Black Economic Empowerment, and interacts with the National Agricultural Marketing Council (NAMC).

## PROGRAMME POLICY DEVELOPMENT

The programme comprises four directorates:

**Business and Entrepreneurial Development** develops strategies for the growth of strategic agricultural industries and promotes equity.

**Marketing** implements policies to improve domestic market access.

**International Trade** develops policies for agricultural trade and negotiates and manages international trade agreements.

**The National Agricultural Marketing Council** advises the Minister on statutory marketing measures.

## PROGRAMME OVERVIEW

In the strategic plan for 2003/04 the department stated that a Black Economic Empowerment (BEE) strategy for the implementation of equitable access and participation in the sector is essential. A draft broad based empowerment framework, called Agricultural Black Economic Empowerment (AgriBEE), has been compiled after consultations with various stakeholders, including industry groups and the planned release for public comment is the second quarter of 2004/05.

The vision of AgriBEE is empowerment through growth in the agrifood and fibre value chain for a representative, united and prosperous agricultural sector. An inventory of empowerment initiatives in agriculture was completed during the year under review, providing valuable insight into various models of empowerment in the sector.

Government's commodity approach for implementing *The strategic plan for the South African agriculture* was endorsed by means of a number of commodity action plans, for example to the cotton, grain, wine, red meat, poultry and fruit industries.

The marketing infrastructure in different nodes, leading to the development of draft norms and standards, which are being discussed with provinces, was assessed. The department decided to review the agricultural marketing environment and the terms of reference for the review was concluded and the appointment of a task committee initiated. It is expected that the review will be completed in 2004/05. The Agricultural Produce Agents Amendment Act, 2003 (Act No. 47 of 2003) was also promulgated.

In the year under review an agricultural trade strategy was completed. This strategy guides the development of negotiating positions for multilateral and bilateral trade negotiations. An example is applying the principle of not negotiating tariff reductions on products subject to distorting subsidies by trading partners. The department acquired positions in the World Trade Organisation (WTO), the Southern African Customs Union (SACU)-United States of America (USA), the SACU-European Free Trade Area and the SACU-MERCOSUR trade negotiations. Trade with Africa was brought into sharper focus in the department's planning for 2004/05.

## KEY OUTPUTS, INDICATORS AND TARGETS

The objectives of the programme are to ensure equitable access and sustained participation in the agricultural sector.

| Directorate | Output | Indicator/measure | Target | Status/comment |
|---|---|---|---|---|
| Business and Entrepreneurial Development | Agriculture industry-based business partnerships | The number of businesses engaged in partnerships | A commodity-based partnership programme by March 2004 | Partnership programme implemented: cotton, grain, wine, livestock strategies well advanced and others scheduled according to priorities |
| Domestic Marketing | Targeted domestic marketing support | The number of farmers in rural development nodes reached with marketing support measures | Marketing support measures to farmers in rural development nodes in 3 provinces by March 2004 | Draft marketing infrastructure norms and standards being discussed with provinces. Marketing information system delayed, but in progress. |
| International Trade | Assessment reports on trade trends, opportunities and constraints | The number of issue-based reports and recommendations | 10 issue-based reports by March 2004 | Report target exceeded. Agricultural Trade Forum advised of all negotiations and opportunities. |

**liako moahloli**
senior manager

# Business and entrepreneurial development

The main purpose of the directorate is to encourage equitable participation that enhances competitiveness and mainstream emerging groups/individuals in agribusiness through win-win strategies to benefit all South Africans.

## OBJECTIVES

The directorate's objectives are to stimulate economic growth through mainstreaming and levelling of the playing fields, facilitating the unlocking of the economic potential of idle and underutilised resources through empowerment of previously marginalised groups in farming and agribusiness and the transfer of organisational and technical skills and business management principles.

It also facilitates the opening of opportunities and markets and accesses productive resources, encourages the development of partnerships and niche enterprises at each value chain level and provides incentives and support for specialised training and mentorship.

It furthermore encourages existing agribusinesses to enhance their competitiveness through collaboration and the incorporation of BEE principles through commodity strategies and action plans. This expansion aims to create opportunities for new groups to grow into markets and contribute to the growth of their economy. The directorate also guides and monitors compliance to standards and codes of conduct for partnership in agribusiness.

## ACHIEVEMENTS

### Policy

A draft AgriBEE framework with a scorecard was completed, supported by the executive committee and approved in principle by the Minister and Deputy Minister. An AgriBEE conference is planned as a final stage of the consultation process.

A prioritising commodities report was finalised by June 2004.

The final draft of the grain industry strategy is almost completed. The industry has to nominate a driver to consolidate an implementation plan and co-ordinate implementation of agreed action plans. Unlike the cotton industry, with Cotton SA as a formal structure for industry co-ordination, the grain industry forum is an informal structure. Implementation occurs within the various commodity forums. A proposal was made for the industry to implement the strategy within the various commodity forums. The industry is currently discussing ways to direct the implementation process with a decision expected at the next meeting.

The fruit industry, including deciduous, citrus and subtropical fruit, has pro-actively embarked on developing an overall national industry strategy. Individual fruit industry strategies will follow from this overall framework. The consortium of consultants developing the strategy is overseen by a steering committee of three major fruit industries and the Departments of Agriculture and of Trade and Industry.

A draft Agricultural Small, Medium and Micro Enterprises (SMME) strategy was completed and the alignment with the Comprehensive Agriculture Support Programme (CASP) finalised in June 2004.

Developing the ostrich industry strategy consists of three phases. The technical phase was completed while the second phase of drafting an ostrich strategy will be discussed with key role-players. The third phase will be strategy implementation.

The agribusiness policy framework was completed, the final policy document submitted and the marketing environment review is awaited.

The directorate also contributed to the Department of Trade and Industry's revised small and medium enterprise development programme.

### Products and services

According to the cotton strategy it is expected that 2 000 ha will be planted in the Eastern Cape, 800 ha in the Northern Cape, at least 1 000 ha in Northern Province were developing projects will support double the number of hectares planted in the next season. A total of 9 000 ha will be irrigated this season.

From an empowerment point of view, it is expected that a co-operative company will be formed in the Upington area in the next season, while two developing projects will follow in the Makhathini flats in northern KwaZulu-Natal, also in the next planting season.

The initial draft for a SMME excellence model for agriculture and related business was finalised, based on the testing of farmers and agribusinesses around Gauteng. Further product testing continued with a wider scope and the second draft was completed in June 2004. The process of developing an entry point of the model for new businesses commenced in July 2004.

The audit of empowerment initiatives was completed and a summary circulated to management. These findings are being analysed and will be communicated with recommendations for taking outcomes forward.

Regarding the fruit industry strategy, the first round of discussions has commenced and tenders were called for and evaluated with a consortium of consultants being selected. The development cost is an estimated R1,5 million. A project proposal for funding from stakeholders secured R1 million with a request for R250 000 from the department, possibly funded from the supplementary estimates for the 2004/05 financial year.

INTER-AFRICAN INTEGRATION AND TRADE DIALOGUE

A collaboration agreement was reached with the West African cotton producers in Benin. Discussions continued with the rest of the African cotton farmers during the International Federation of Agricultural Producers' conference held in May 2004.

CO-OPERATIVE DEVELOPMENT INITIATIVE

The department recognises the potential empowerment value of linking the entrepreneurial skills, management and technical expertise, experience, business processes and opportunities in existing agribusinesses to the management and owners of emerging agribusinesses. Therefore a joint venture with the co-operative development initiative was piloted.

RED MEAT EMPOWERMENT FRAMEWORK

The directorate secured a red meat empowerment framework and contributed to the development of options for the Banking Council's products to encourage agricultural development.

billy morokolo
senior manager

# Marketing

The purpose of the directorate is to develop, implement and promote policies, programmes and measures to support equitable access to competitive and profitable agricultural markets on a sustainable basis.

## OBJECTIVES

The objectives of the directorate are to develop and implement policies, strategies, programmes and measures aimed at the promotion of a dynamic and competitive domestic marketing environment as well as special measures to ensure the full participation of historically disadvantaged farmers and agribusiness entrepreneurs in all agricultural marketing value chains.

Furthermore, it manages the issuing and administration of negotiated import and export market access permits, provides advice on agricultural tariff policy determination and serves as the NAMC's contact. Advice is also provided to the department on council-related matters.

It also oversees the implementation of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) and the Agricultural Produce Agents Amendment Act, 2003 (Act No. 47 of 2003).

## ACHIEVEMENTS

### Policy

The directorate concluded the terms of reference of the marketing assessment review and initiated the appointment of a committee. The process is expected to be completed in 2004/05.

### Legislation

The directorate facilitated the amendment of the Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992), into the Agricultural Produce Agents Amendment Act, 2003 (Act No. 47 of 2003), which became operational in January 2004.

The objective of the act is to regulate the activities of fresh produce, livestock and export agents. The principle is to promote self-governance and regulation without depending too much on government intervention. The appointment of the new Agricultural Produce Agents Council will be concluded before the end of July 2004.

### Client and public interaction

The Minister for Agriculture and Land Affairs appointed the Food Pricing Monitoring Committee in January 2003 to investigate the food market structures, price formation and margin analysis of major food chains in the country. The report's recommendations have been considered and evaluated by the department and the Cabinet. An implementation approach has been formulated.

### Programmes and projects

The directorate investigated the status of the agricultural marketing infrastructures in four rural development nodes in four provinces, using a developed node in the Western Cape as a benchmark. The assessment formed the basis for the development of norms and standards that will be used as guidelines to facilitate the establishment of an agricultural marketing infrastructure in the targeted nodes.

The directorate is also facilitating the establishment of an integrated agricultural marketing information system. The system aims to provide the necessary agricultural marketing information, especially to land reform beneficiaries and other resource-poor farmers to enable them to effectively plan their production and marketing activities. The system will integrate and consolidate the islands of marketing information that are currently available in the private sector. The information will be easy to access, comprehend and to put into action, especially to emerging farmers. The system will be linked to information outlets such as provincial and municipal offices, multipurpose community service centres, postal information terminal systems and through any other potential vehicles such as cellphone-based SMS text, to convey information to farmers.

A marketing information web page has been developed and is being expanded for broader coverage.

### Products and services

The directorate developed training materials on the basics of agricultural marketing. The first series covers the basics of marketing, while the second series concentrates on livestock marketing. The material is in infotoon format to cater for nonliterate people. A total of 3 000 copies of the first series was distributed to all provinces and more copies are being printed and translated into different languages.

The directorate is routinely involved in the administration and issuing of negotiated market access import and export permits for a range of agricultural products. For the period under review, about 1 300 permits were issued to facilitate trade. About 690 import permits were issued to local importers. These permits saved the local importers about R288 million in import duties. A further 610 export permits were allocated to local exporters to access negotiated foreign markets. Permits were issued for the exportation of the following products:

| Products | Quantities (tons) |
|---|---|
| Cheese | 6 000 |
| Cut flowers | 2 312 |
| Strawberries | 280 |
| Canned fruit | 65 000 |
| Fruit juices | 6 400 |
| Sparkling wine | 540 000 ℓ |
| Wine | 44 000 000 ℓ |

gerda van dijk
senior manager

# international trade

The purpose of the directorate is to develop, promote and support the competitive participation of the South African agricultural sector in international trade. The process is guided by the departmental Strategic plan and the agriculture trade strategy and is undertaken to further the implementation of The strategic plan for South African agriculture.

## OBJECTIVES

The objectives of the directorate are to analyse and develop policy and advise on bilateral and multilateral agricultural trade and to promote trade initiatives. It also represents the department in forums where trade issues are at stake and renders a management support service regarding trade. In terms of the new SACU agreement, the directorate will interact and collaborate closely with the other union members on trade negotiations.

## ACHIEVEMENTS

### Policy

An agricultural trade strategy was developed to guide agriculture's interest within the broader trade strategy of the government. The strategy was presented to the Economic Development Committee of the international relations peace and security cluster and it was recommended that they be included in the cluster priorities.

A negotiating position for South Africa within the broader SACU was developed. Extensive consultation with industry as well as with the SACU partners took place and a technical visit to the United States of America to obtain information, assisted to finalise a negotiating position.

It is also important during negotiations to include the current preferential access of Southern African Customs Union members under the Africa Growth and Opportunities Act. Analysis indicated that South African exporters under-utilise the USA market. It is, however, due to other barriers than tariffs, for example, sanitary and phytosanitary requirements, not an easy market to penetrate.

Based on the analytical work and utilising the experience of the South Africa/European Union negotiations, a negotiating position followed for negotiations between the SACU and the European Free Trade Area.

The directorate's strategy included the development of negotiating positions for both India and China. As a result of stringent negotiating schedules within the SACU, government decided to finalise current negotiations before starting new negotiating ventures. Preparatory work, however, continued throughout the year.

### Client and public interaction

Through the agricultural trade forum the directorate consulted with industry, including the nine provincial departments of agriculture. The forum is utilised to inform industry of all the trade negotiations, while the Parliamentary Committee for Agriculture is also informed in this regard.

Progress on intra-African trade dialogue has been made during the year under review, mostly through participation in the Africa Group in Geneva, especially in the WTO's multilateral trade negotiations on agriculture, as well as in different senior official and ministerial meetings in Africa.

As a result of the new democratised SACU, South Africa does not undertake trade negotiations on its own, but via the union. The directorate was closely involved with the union as well as the Department of Trade and Industry to draft position papers and participate in negotiations.

### Products and services

According to rules and procedures of the WTO, all member countries have to undergo a review of their trade policies on a scheduled basis. The review is based on governmental input on all trade policies. The directorate compiled the agricultural input for the review. In terms of the SACU agreement, all five members of the union are reviewed simultaneously. The review process took place in Geneva, Switzerland were the review was successfully completed.

### International

During the review year negotiations for a fixed preference agreement between the SACU and MERCOSUR, a free trade agreement between the union and the USA as well as between the union and the European Free Trade Area continued.

Some negotiations between South Africa and the EU with regard to outstanding issues in terms of their trade development and co-operation agreement were concluded while others are continuing.

The directorate also interacted with the Southern African Development Community (SADC) to enhance the implementation of the agreed trade protocol.

Negotiations regarding the multilateral trade negotiations under the WTO continued. However, based on the position of the EU and the USA, a group of developing countries formed the G20, shortly before the fifth ministerial meeting in Cancun, Mexico. The G20 placed the issues distorting trade support to the agricultural sector by developed countries and its influence on developing countries, in the centre of the negotiations.

Active participation with regard to the work of the G20 continued in Geneva after the Cancun meeting. Interaction and participation in G20 and other WTO negotiating sessions continues in collaboration with the South African mission in Geneva.

## National agricultural marketing council

The National Agricultural Marketing Council (NAMC) was established in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) to advise the Minister for Agriculture and Land Affairs on the marketing of agricultural products and the co-ordination of the marketing policy.

NAM

The Minister annually approves the budget and business plan of the council. The council received its budgetary allocation of R10,1 million via a transfer payment from the department. The Food Pricing Monitoring Committee appointed to monitor high food prices in the second half of 2002, was also funded through this allocation.

The council issues its own annual report within the framework of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

**rodney dredge**
acting assistant director-general

# 4 economic research and analysis

## AIM

Economic Research and Analysis supports the collection and management of national agricultural statistics, as well as the monitoring of production and marketing trends. The programme researches and renders advice on agricultural economic and policy issues, and also provides support and sets norms for agricultural production and resource economic services.

## PROGRAMME POLICY DEVELOPMENT

The programme comprises two directorates:

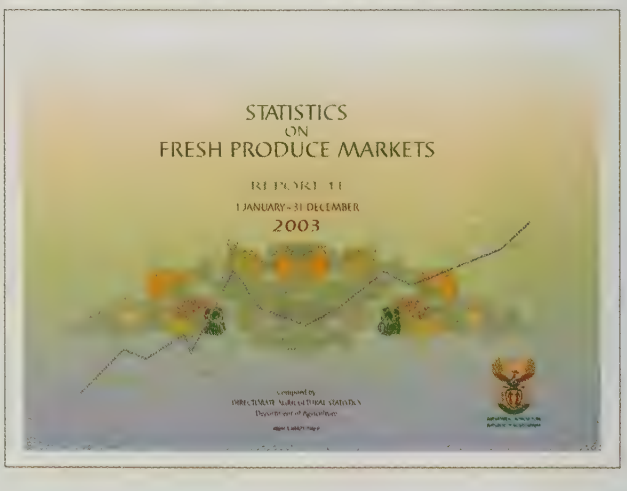
**Economic Analysis** interprets, analyses and provides advice on the economic performance of the agricultural sector, the impact of policies and the external environment on agriculture, the availability of agricultural resources/intermediate inputs and their productive and effective utilisation, the competitiveness of agricultural industries and the efficiency and diversity of farm businesses.

**Agricultural Statistics** collects and manages agricultural statistics in support of effective decision making. This includes the monitoring and projection of trends in agriculture, food security and food utilisation.

## PROGRAMME OVERVIEW

In the period under review contributions were made during the investigation and report-writing phases of the Food Price Monitoring Committee, while the newly established national Agricultural Economics Standing Committee of the Intergovernmental Technical Committee for Agriculture (ITCA) was strengthened to enhance networking and foster co-operation. This committee aims to develop standardised analytical tools and databases for economic and farm management policy analysis. The focus areas are a financial record system and enterprise budgets in the provinces, typical farm models for different farming types and regions, guidelines for compiling business plans and the economic/financial viability of agricultural projects. The committee aims to standardise the applied terminology and analytical methodologies.

The programme also monitored the economic performance of the agricultural sector on a quarterly basis and produced overviews of economic changes and their impact on the sector. To fill information gaps, Statistics South Africa launched the census of commercial agriculture in August 2002. The results will be available towards the end of 2004. Statistics South Africa is also compiling a report on household and communal agriculture. Improvements to the crop forecasting system are also being addressed via a contract awarded to the ARC. The aim is forecasts within 5 % of the actual harvest.



## KEY OUTPUTS, INDICATORS AND TARGETS

| Directorate | Output | Indicator | Target | Status/comment |
|---|---|---|---|---|
| Economic Analysis | Reports on constraints and opportunities in the agricultural sector | Number of reports that contribute to informed decisions by all stakeholders in the sector | 3 comprehensive reports published by March 2004 | Quarterly economic review and forecast reports published. Released brochure on citrus industry. Report on medium-term economic review of the sector not released yet. Scope of the report was broadened to cover period from 1994 |
| Statistics | Statistical reports on trends in and the economic performance of the agricultural sector | Availability of information on trends and economic performance | 5 statistical reports published by March 2004 | Reports published:<br>*Abstract of agricultural statistics*<br>*Trends in the agricultural sector*<br>*Economic review of the South African agriculture*<br>*Crops and markets*<br>*Statistics on fresh produce markets* |

# Economic analysis

**ben van wyk**
senior manager

The purpose of the directorate is to provide strategic economic information and advice on agricultural production, resources and on the agricultural sector's performance.

## OBJECTIVES

The objectives of the directorate are to provide strategic information and advice on the performance and impact of the external environment on the agricultural sector as well as on the economics of agricultural production and resources.

## ACHIEVEMENTS

### Policy

In the study on the impact of farmer settlement on the South African economy, macroeconomic models are used that will be developed with the assistance of international expertise as a co-operative project between the Departments of Land Affairs, National Treasury and Agriculture. Delays in the tender awarding process occurred.

### Client and public interaction

The directorate contributed during the investigation and report-writing phases of the Food Price Monitoring Committee. In a co-operative venture with the Conningarth Economist the impact of the rise in agricultural input prices on the agricultural sector was determined. Furthermore, an analysis was made to determine the impact of the rise of food prices on the South African economy and a report was produced on the impact on the food security of poorer households.

The directorate was an advisor to the study financed by the SA Maize Trust and done by the University of the Free State on the cost of maize production in the northern Free State.

## Programmes and projects

The aim of establishing a database on agricultural natural and human resources is to develop or access a wide range of databases for economic studies, relating to natural and human resources in the agricultural sector. The first phase focused on an inventory of all available data sources for analytical purposes. At the end of the year under review a draft report was nearly completed.

The aim of the PROVIDE suite of economic databases and analytical models is to establish a set of integrated analytical tools for policy impact and economic performance analysis on both the agricultural sector and its industries. Despite initial delays good progress was made with the development of databases as well as the basic econometric models.

Some of the development research reports as well as the first test research results are available on the PROVIDE website, http://www.elsenburg.com.

## Products and services

Establishing and standardising the economics analytical tools and databases for farm economics services is part of the department's aim to develop or access standardised analytical tools and databases for use in economics and farm management policy analysis. It is done in co-operation with provincial departments of agriculture and agriculture-related entities such as the Land Bank and the ARC.

The focus areas are a financial record system, developing enterprise budgets in the different previously disadvantaged areas, typical farm models for different farming types and regions, guidelines for compiling business plans, the economic and financial viability of agricultural projects and standardising the terminology and analytical methodologies when applying these tools.

Progress in these focus areas included the completion of the farmer level financial record system that can be linked to a national/provincial integrated database. It is being tested and implementation is expected early in the new financial year.

The COMBUD enterprise budgets project aims to provide farming analysis for planning, advice and comparative cost, profitability and competitiveness analysis on a broader regional or national base. An action plan has been developed through ITCA to upgrade the computer program and build capacity by training.

The typical farm models serve as a micro-analytical tool for farm level advice and analysis, including quantifying external impact on specific types of farming. While the pilot phase focusing on identified development nodes continued, implementation was delayed because of a lack of internal capacity.

A draft of the framework guidelines and tools for compiling business plans was finalised, while agricultural economic training courses were also compiled.

### MEDIUM-TERM ECONOMIC REVIEW STUDY OF THE AGRICULTURAL SECTOR

The medium-term economic review study was commissioned through the ARC, initially confining it to changes over five to six years since 1996, when a similar report was done. However, as the need for a ten-year review and forward planning became a priority, the analysis period was reversed to 1994. This resulted in a delay but the analysis report should be finalised early in the new financial year for evaluation and release.

### QUARTERLY ECONOMIC REVIEW AND FORECAST REPORT ON THE AGRICULTURAL SECTOR

The first two quarterly reports were released only for internal use. In future the report will be available on the departmental website, http://www.nda.agric.za.

### MULTIMARKET ANALYSIS OF IMPACT OF IMPORTATION OF LIVE ANIMALS ON THE RED MEAT INDUSTRY

This study was originally initiated to review the South African red meat industry's trade angle. Because of the use of a multimarket economic model it became an important capacity building process. The final report is expected to be completed during the first quarter of the next financial year.

### Intergovernmental

The national Agricultural Economics Standing Committee of ITCA held three meetings during the report period. The committee has proven to be an effective forum for intergovernmental co-ordination of agricultural economic services.

During the year under review a new brochure on the citrus industry was published. The update of earlier brochures for maize and wheat are well underway while new brochures for the dairy, wool and tomato industries are also being developed for publication in the next financial year

### International

With the South African counterpart, the department co-hosted the International Association for Agricultural Economists' triennial conference in Durban in August 2003. The Director-General chaired the local organising committee. A competition made it possible for three promising young agricultural economists from previously disadvantaged areas to attend the conference. Deserving entries were published in *Agrekon* and the association's national agricultural economics journal.

The directorate participated in compiling a review of South Africa's relations with the Organisation for Economic Co-operation and Development. This organisation's Directorate Food, Agriculture and Fisheries also requested South Africa to co-operate in reviewing agricultural policies in the country. At the end of the financial year no final decision has been taken on the matter.

### Organisational

During the recent restructuring of the department, the number of posts were increased from 19 to 43 to address the shortage of agricultural economists. The implementation of the fully extended establishment will be implemented in phases as funds are voted for this purpose.

## agricultural statistics

The purpose of this directorate is to collect and manage national agricultural statistics, monitor and project trends in agricultural production, food security and food utilisation, establish and maintain a comprehensive database on the agricultural sector and disseminate agricultural statistical information.

**rodney dredge**
**senior manager**

### OBJECTIVES

The directorate's objectives are to compile national and provincial production accounts, such as the gross value of agricultural production and the value added by the agricultural sector, national and provincial capital accounts, the value of farm assets and changes in livestock inventories and production and utilisation tables, such as the production structure of agriculture in terms of standard industrial classification codes, as well as intermediate and final consumption in terms of these codes.

Furthermore, the directorate calculates macroeconomic indicators, such as the producer price index, land price index, farming requisites price index, farm debt and the volume and value of agricultural imports and exports and undertakes monthly estimates of the production of summer field crops, winter cereals and quarterly estimates of livestock numbers in South Africa.

It also compiles a food balance sheet to monitor the food security situation in the country, a monthly cereal balance sheet for submission to the regional early warning unit of the Southern African Development Community, calculates the private

consumption expenditure of food, beverages and tobacco and keeps structural information on all types of farmers in all regions.

## ACHIEVEMENTS

### Programmes and projects

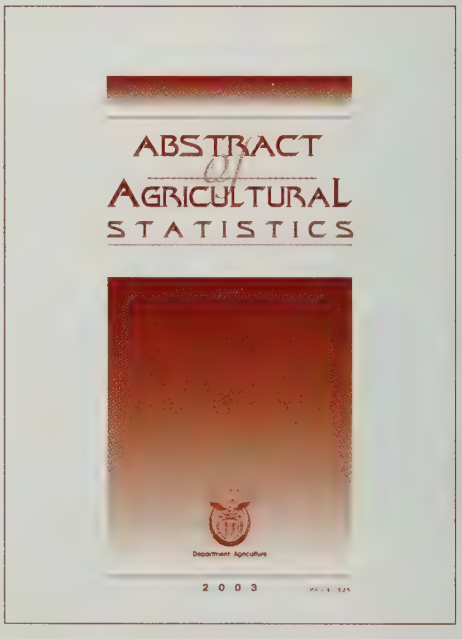
The Census of Agriculture 2002 launched by Statistics South Africa in August 2002, covered 68 000 VAT-registered and other formal/commercial farming units. By the end of March 2004, 76 % of responses of the total number of 81 000 questionnaires that had been distributed, were received, representing a response rate of 87 % on turnover. This was despite the fact that usable questionnaires received totalled only 49 %. Preliminary aggregated results required for the re-basing of the agricultural economic accounts, were released in June 2004 and the detailed reports containing final results on a provincial basis will be published in November 2004.

The design and construction of the farmer register has been concluded from an information technology perspective. The system, which was designed as a georeferenced database, needs to be populated with data. While commercial farms are georeferenced, communal areas and the emerging sector are generally not. Although the database can contain or link to georeferenced data, its value is expected to be exponentially improved if georeferenced data are available, for example, to relate to land potential or other physical attributes.

The department purchased a full set of deeds data on all farms and agricultural holdings in South Africa, which will serve as basis in populating the farmer register. The Department of Land Affairs is busy cleaning and adding value to the data. Available departmental information and data from other sources will be added. Furthermore, a database has been drafted for the collection of data from farmers who are not registered owners of agricultural land and who do not form part of a departmental system yet. Information from LRAD will also be transferred to this farmer register. The confidentiality of sensitive personal information and compliance with the Electronic Communication and Transactions Act, 2002 (Act No. 25 of 2002) is receiving attention.

### Products and services

The directorate published three annual, one biannual, one quarterly and a monthly report, also on the departmental website. These were the *Abstract of agricultural statistics, Trends in the agricultural sector, Economic review of South African agriculture, Statistics on fresh produce markets, Crops and markets* and the *Food security* bulletin.




Economic accounts, reflecting the performance of the agricultural sector for the 2003 calendar year were compiled. The statistics were made available to Statistics South Africa and the Reserve Bank for incorporation into the country's national accounting system. The private consumption expenditure on foodstuffs, which indicates the amounts that South Africans spent on food, was also calculated and made available for the 2003 calendar year.

The directorate produced monthly updates of important macroeconomic indicators to determine trends in the agricultural sector. These included the volume index of production, farming requisites price index, producer price index, land price index, interest rate index, farm debt, the volume and value of agricultural imports and exports, the food basket of farm products, for example the producers' share in the consumer's Rand, and the volume, value and prices of fresh produce sold on the major markets.

Monthly forecasts were released on the production of summer grain crops such as maize, sunflower seed, soya-beans, sorghum, groundnuts and dry beans as well as winter cereal crops such as wheat, barley, sweet lupins and canola, on a provincial basis. Forecasts were also released on farmers' intended plantings of summer grain and winter cereal crops for the 2004/05 season.

To enhance the efficient functioning of the grain market, the monthly crop forecasts were released electronically and also made available on the departmental website. Estimates of livestock numbers were also released quarterly.

The food balance sheet is drawn up annually and as commodity information becomes available during the production season, the figures are updated. This balance sheet provides an indication of the country's total consumption as well as the per capita consumption of the most important foodstuffs.

A monthly food balance sheet is also drawn up for cereal products, which is made available to the regional early warning unit of the SADC.

Discrepancies in the Report on the 2000 farm survey are being addressed with Statistics South Africa. An additional report on household/communal agriculture is being compiled by Statistics South Africa and will be released in July 2004.

### Intergovernmental

The directorate participated in the activities of the national Agricultural Economics Standing Committee of ITCA. The aim of this committee is to enhance co-ordination and co-operation on economic and statistical issues and to build national capacity.

### Organisational

The new proposed organisational structure of the directorate was approved and all the statistics posts evaluated to reflect the complexity of the functions as well as the scarcity of skills. The advertising of approved and funded positions in the structure and the appointment of qualified personnel are receiving attention.

**shadrack moephuli**
assistant director-general

# 5 agricultural production

## AIM

Agricultural Production develops policies to enhance sustainable production in agriculture. It works with the Agricultural Research Council (ARC) and the provinces to identify and support strategic research and interventions to increase productivity and to mitigate climate changes and migratory pests.

## PROGRAMME POLICY DEVELOPMENT

The programme comprises three directorates:

**Animal and Aqua Production Systems** facilitates improved agricultural productivity by providing national leadership in sustainable animal and aquaculture production systems. The directorate develops, promotes and monitors compliance to national policies, legislation, norms and standards that support sustainable animal production, particularly livestock production, and aquaculture. It also manages and administers the Livestock Improvement Act, 1977 (Act No. 25 of 1977).

**Plant Production Systems** facilitates improved agricultural productivity by providing an integrated approach to sustainable plant production. It co-ordinates, develops, promotes and monitors compliance to national policies, legislation, norms and standards that support sustainable plant production. A key responsibility of the directorate is to manage and administer the Plant Improvement Act, 1976 (Act No. 53 of 1976)

**Scientific Research and Development** promotes and co-ordinates the implementation of national agricultural research, technology development and technology dissemination policies, norms and standards. This is done in line with the Agricultural Research Act, 1990 (Act No. 86 of 1990) and other national policies on science and technology.

## PROGRAMME OVERVIEW

Between 1994 to 2002, the department became aware of the problems of low agricultural productivity and declining production efficiencies. This can be attributed to unsustainable agriculture practices, climate change, diseases and pests. The population experienced poor food security as a result of low productivity. It was therefore essential to make agriculture a more viable and profitable industry while also increasing unemployment opportunities.

To establish a sound foundation for agricultural production, the programme develops strategies, policies and supporting legislation.

Technical guidelines on agricultural production and conservation are vital and should be supported by the dissemination of information on the promotion of appropriate production systems, research, technology development and transfer.

In view of the newly-agreed SADC regional indicative strategic development plan, the programme promoted agricultural research in relevant international forums such as the Forum for Agricultural Research in Africa (FARA). Restructuring within the Consultative Group of International Agricultural Research (CGIAR) resulted in the termination of the host country agreement between South Africa and the group.

Customer complaints regarding the South African Studbook and the ARC and the quality and frequency of service delivery on milk recording on the integrated genetic information system were resolved by accelerating the development of the system. This enabled the programme to implement the Animal Improvement Act, 1998 (Act No. 62 of 1998) and finalise the animal improvement policy.

Stakeholder consultations highlighted the critical importance of agro-processing in the livestock sector, allowing the manufacturing sector to participate in developing a strategy for the sector.

An interim agriculture position on biodiesel, focusing on the use of nonfood crops, followed discussions with the Departments of Minerals and Energy and Science and Technology and lobbying from the automobile industry.

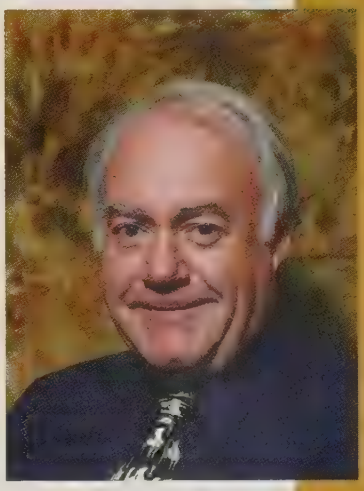
Norms and standards have been developed for the household programme for food production, which comprises agriculture's contribution to the Integrated Food Security and Nutrition Programme (IFSNP). In addition, the agricultural biotechnology strategy was developed as the department's contribution towards improving the sustainability, technology innovation and competitiveness within the sector.

Other activities included contributions to implementing NEPAD's Comprehensive African Agricultural Development Programme (CAADP) and providing inputs to the development of the commodity strategies on cotton, wine and grain. Similarly, various production guidelines were developed and technical advice on production provided. In addition, the International Seed Testing Association (ISTA) reaccredited the programme for seed quality assurance. This enables the programme to provide advisory and testing services both within the country and to the SADC.

## KEY OUTPUTS, INDICATORS, TARGETS AND STATUS

| Directorate | Output | Indicators/measurement | Target | Status/comment |
|---|---|---|---|---|
| Animal and Aquaculture Production Systems | Animal improvement policy | Approved animal improvement policy | End March 2004 | Animal improvement policy approved within the department |
| | Livestock development policy | Approved livestock development policy | Livestock development policy by end March 2004 | Livestock development strategy approved by ITCA in March 2004. In process of implementation with animal improvement schemes |
| | Aquaculture policy | Approved aquaculture policy and functional programme | Launch of programme during 2004/05 | Formed aquaculture working group and draft policy discussed within Department's Science and Technology Committee; then referred to Water Research Commission for technical consultations. Finalised during 2004/05 |
| | Game farming policy | Approved game farming policy | September 2004 | Draft produced in consultation with South African Game Ranching Association and ARC – Range and Forage Institute. In consultation with DEAT and other stakeholders |
| | Animal welfare codes of conduct for farming with animals | Published codes of conduct | Ten codes to be finalised before end of September 2004 | Draft policy developed to incorporate welfare of all animals and several codes under development; to befinalised in consultation with animal welfare organisations and Department of Justice |
| Plant Production Systems | Policy on agriculture in sustainable development | Approved national policy on agriculture in sustainable development | Published an implementable policy in financial year 2004/05 | Policy approved; relevant norms and standards to be developed during financial year 2004/05 |
| | Strategy framework for plant production in South Africa | Approved framework for plant production strategy | End March 2004 | Draft recommended for approval by Departmental Executive Committee. Final draft to be implemented with production guidelines and norms and standards during financial year 2004/05 |
| | Discussion documents on best practices for:<br>• Small holder integrated systems;<br>• Organic crop production | Published discussion documents | End December 2003 | Drafts under development along with consultations with stakeholders. Revised drafts to be finalised by end June 2004 |
| Scientific Research and Development | Agriculture research policy and position in SA, SADC, FARA, CGIAR | Approved agricultural research policy and position in SA, SADC, FARA and CGIAR | End September 2004 | Consulted with technical experts for collaboration with ISNAR as well as stakeholders within the National Agricultural Research Forum (NARF). Draft Under development, but delayed due to changes in relationship with ISNAR and debates within NARF |
| | A restructured and reoriented Agricultural Research Council (ARC) | Change in financing agricultural research | A restructured and reoriented ARC by March 2004 | Identified specific areas that require increased funding to maintain status of ARC. Motivated for additional funding of public goods and meeting shortfalls within the parliamentary grant. Discussions on funding mechanisms for ARC continuing during 2004/05 |

# animal and aqua production systems



keith ramsay
acting senior manager

The purpose of the directorate is to develop and promulgate national policy norms and standards to support animal production and aquaculture within the framework of the Animal Improvement Act, 1998 (Act No. 62 of 1998), the Animal Identification Act, 2002 (Act No. 6 of 2002), legislation dealing with the welfare of animals and legislation dealing with the responsible use of natural resources.

## OBJECTIVES

The objectives of the directorate are to develop, promote and implement national policy, norms and standards to support sustainable animal production, aquaculture and game farming systems and to coordinate and support programmes and schemes for sustainable animal production, aquaculture and game farming. Furthermore, the directorate ensures the regulation and promotion of sustainable animal production, aquaculture and game-farming practices, effective monitoring, evaluation and impact assessment of animal production, aquaculture and game-farming systems and trends and provides management support services for financial, human resources and asset management as well as logistics.

## ACHIEVEMENTS

During the period under review the services rendered included commencing with new legislation, policy formulation, sector strategies and programmes and information and advice on all aspects of animal production and aquaculture. This included information on suitable breeds for farming systems in different production environments.

The directorate linked clients with the most suitable service providers, from assisted reproduction to experts on game farming and aquaculture. Sector working groups will continue to provide these services as part of the co-ordination of production inputs and support programmes for animal agriculture in South Africa.

### Policy

An animal improvement policy to support the Animal Improvement Act, 1998 (Act No. 62 of 1998) was finalised and published along with a national livestock development strategy and an animal production and improvement programme in the first quarter of 2004.

First drafts of policies for game farming, aquaculture and animal welfare were completed. These will be finalised during the first half of the next financial year to support the animal production and improvement programme.

Frameworks for the development of policy and strategies for specific sectors such as goats, sheep, beef, cattle, game, ostriches, aquaculture and veld and forages were developed during an Intergovernmental Technical Committee on Agriculture (ITCA)–directed livestock development strategy process. The draft of the livestock development strategy was approved by the committee for implementation as part of a national animal production and improvement programme.

With the co-operation of most of the major role-players and stakeholders in the industry, an aquaculture policy was drafted and a working group established.

A project commissioned by the Water Research Commission to review the current situation and potential for development in the resource poor/previously disadvantaged sector resulted in a partnership which will establish centres of excellence for information, training, breeding and growing material and starter packs.

A policy for the welfare of animals used for food and agriculture was completed but not released as it was decided to take developments at the International Organisation for Animal Health into consideration. A welfare working group of this body was established during the period under review and international task teams started working on codes similar to those being reviewed in South Africa.

A review of these codes indicated that they could be applied to local conditions and that it would be beneficial to widen the scope of the policy to include all animals. A broader policy will therefore be released.

A national goat workshop held in January 2004 led to the establishment of a national working group or umbrella organisation to promote the more effective use of goat resources in South Africa.

## Legislation

The regulations for the Animal Identification Act, 2002 (Act No. 6 of 2002) and the Animal Improvement Act, 1998 (Act No. 62 of 1998) were completed during the year under review and both acts came into force on 21 November 2003.

Administration of the acts was simplified by introducing electronic payment for services and the use of revenue stamps as payment for animal identification marks. A system of laminated registration cards for animal identification marks and reproduction operators was also introduced.

## Products and services

Animal identification is a key component of all animal recording, evaluation and improvement activities and is critical for positive proof of ownership in stock theft and other cases. A visible mark is also a deterrent to potential stock thieves. The directorate greatly assisted the South African Police Service's stock theft unit.

A memorandum of understanding to facilitate the sharing of software with SADC and NEPAD partners was drafted and the software is being upgraded for use in other systems. Mozambique will be the first country to make use of this offer

A total of 104 002 applications for marks were processed. This included a number of communal marks for stock owners in resource poor communities. Special attention was also given to onsite information sessions on animal marking. A system to register animal markers was introduced in November 2003.

To create job opportunities and provide a much-needed animal marking service to the resource poor sector, approved facilities will be used to train and equip animal markers for deployment in target communities. Information packages on animal identification were revised, taking new legislation and new technology into consideration.

Research into alternative methods of marking also continued and a one-character-mark method, using microchip identification, is being reviewed.

Animal improvement includes the administration of the Animal Improvement Act, 1998 (Act No. 62 of 1998), the maintenance and establishment of animal improvement schemes and the characterisation and evaluation of new breeds.

New control measures to monitor the sale and export of imported and locally collected genetic material were enforced. This enabled more effective control over the semen and embryo trade sector with a marked increase in self- regulation and the use of prescribed written warrantees.

During the year under review 6 030 head of cattle, 480 sheep or goat doses of semen, 3 814 head of cattle and 4 247 embryos were exported. Most of these were from indigenous and locally developed breeds and there is some concern about the potential loss of intellectual property in this process. Efforts are therefore underway to develop a model to protect animal keepers and breeders' rights as far as South Africa's locally developed and adapted breeds are concerned.

IMPORT/EXPORT AUTHORISATIONS

| | |
|---|---|
| Animals for breeding purposes* | 1 386 |
| Other animals (slaughter, shows, competitions, grazing, finishing in feedlots)** | 1 057 509 |
| Semen—number of doses | 683 117 |
| Embryos | 331 |
| Poultry—grandparent lines | 189 101 |
| Export of ostrich eggs | 58 654 |
| Export of ostrich chicks | 93 190 |
| Export of ostriches | 2 904 |

* 724 horses, 376 sheep, 5 goats and 281 head of cattle

** 310 304 head of cattle, 300 920 sheep, 445 528 goats, 757 horses

REGISTRATIONS

| | |
|---|---|
| • Registration of donor animals ( collection and sale of semen ) | 77 |
| • Registration of reproduction operators (inseminators, semen collectors, embryo collectors) | 296 |
| • Registration of centres (semen and embryo collection centres ) | 5 |

ANIMAL IMPROVEMENT SCHEMES

As part of the animal improvement and production programme, all the existing schemes as well as a scheme for emerging farmers, were reviewed and a cost benefit analysis completed which will now be submitted for formal declaration.

A national animal breeds databank was developed and funds were made available to pay for emerging farmers to participate in the National Beef Cattle Recording and Evaluation Scheme. A programme to train and deploy interns as milk-recording officers was also developed and will be implemented during the next financial year. This will assist the national milk-recording scheme and prepare the participating interns for possible employment as recorders, graders, inseminators and future dairy farmers.

Development of the integrated registration and genetic information system (INTERGIS) was completed with breeders already benefiting from the possible services that include breed evaluations, predictions and a traceability facility.

BREED EVALUATIONS IMPACT STUDIES

During the year under review, evaluations of the Belgian Blue, Marchigiana and Beefalo beef cattle breeds and the Norwegian/Scandinavian red dairy cattle breeds were completed. Slaughter trials with Belgian Blue cross steers in feedlots indicated that the breed has the potential to increase carcass slaughter percentage ratios. It was approved as a semen line for terminal crossbreeding.

The evaluation of the New Zealand hybrid or Jersey-Holstein bulls for bulk milk production off pastures in the Western Cape and the evaluation of the Montbeillarde as a potential breed for dairy crossbreeding continued. The evaluation of the Scandinavian red dairy breeds led to a decision to develop a South African red dairy hybrid for the smallholder and emerging farmer sector. New cattle breeds being evaluated include the Blonde d'Aquitaine and the Pustertaler.

Trials with Zimbabwe blue ostriches and hybrid broiler ostriches continued.

ANIMAL PRODUCTION

To keep stakeholders at all levels informed, presentations on animal identification and improvement were made at workshops, training courses and symposia. The activities of the Farm Animal Conservation Trust and Heifer Project – South Africa were again supported while the involvement in the Heifer Project SA, included the training and orientation of two interns in small-scale poultry and milk production. This training included the revision of layer and dairy guidelines for joint venture publications.

Articles on beef cattle production and animal handling were again published in NERPO news. Other publications included Small-scale egg production, Small-scale broiler production, Small-scale milk production, Small-scale pig production as well as management calendars for goats, pigs, layers and broilers.

## International

International liaison, technical visits and consultations during the year included meetings with Algerian, Irish and Chinese delegations and continued assistance to Mozambique as part of a bilateral agreement on animal identification, evaluation and improvement.

Electronic communication with Algeria, Uganda, Angola, Botswana, Rwanda, South America and Australia on aspects of trade and production continued. The liaison with 13 SADC countries focused on the mobilisation of rural communities

The department participated in the NAMPO exhibitions

towards more effective animal production and animal breeders' and keepers' rights. Annual reports were issued to the SADC community's livestock sector and the Food and Agriculture Organization's (FAO's) Intergovernmental Technical Working Group on Animal Genetic Resources.

As a result of the growing demand for South African genetic material, the frequency of international liaison also increased. Both Landrace and locally adapted breeds remain popular in the region, Africa and further abroad. The directorate provided advice on the most suitable breeds and combinations for conditions in prospective importing countries and facilitated contact between breed societies and breeders and prospective importers.

### THE SADC LIVESTOCK SECTOR

In co-operation with the Namibian Department of Agriculture and the Namibian Meat Board, the directorate arranged the annual meeting of the SADC subcommittee for veld animal production and marketing, held at Swakopmund in Namibia. This included a joint meeting with the Southern African Livestock and Meat Forum, representing the commercial red meat producers in the region. Key resolutions included the recognition of the Southern African Poultry Forum as part of the subcommittee and support for a regional standpoint and law on animal breeders' and keepers' rights.

Ongoing global communication on the management of farm animal genetic resources as part of sustainable animal production also continued. This included participation in electronic congresses and animal breeding and production discussion groups and the attendance of a workshop on animal breeders' rights in Mozambique.

thabo ramashiala
acting senior manager

# Plant production systems

The purpose of the directorate is to lead and support the plant production sector to ensure food security, economic development and global competitiveness.

## OBJECTIVES

The directorate develops and promulgates national policies, norms and standards that support and promote sustainable plant production. It also administers the Plant Improvement Act, 1976 (Act No. 53 of 1976). The act provides for the registration of premises from which the sale of certain plants or the cleansing, packing and sale of certain propagating material may be undertaken, prescribes the conditions under which such plants or propagating material may be sold for cultivation and provides for the recognition of certain varieties of plants. It also provides a system of certification of plants and propagating material to maintain the quality of certain plants and propagating material and to ensure the usefulness of the products for agricultural and industrial purposes. It also controls the import and export of certain plants and propagating material.

| Client | Services required |
|---|---|
| Farmers | Advice and information on production practices, crop selection |
| Provincial departments of agriculture | Policies, strategies, programmes, legislation, information and advice |
| Other directorates | Information, advice, and participation as well as making inputs into proposed programmes, projects, and other initiatives that impact on plant production |
| Management of the Department of Agriculture | Information and advice |
| Minister, Cabinet and Parliament | Information and advice |
| Other governmental departments | Information, advice and participation as well as giving inputs into proposed programmes, projects, and other initiatives that impact on plant production |
| Commodity organisations | Strategies, information and advice |
| National and international organisations | Information and advice |

### Partners

| Organisation | Complementary services |
|---|---|
| Agricultural Research Council | Conduct research and surveys |
| South African National Seed Organisation | Administers seed certification schemes |

## ACHIEVEMENTS

### Policy

During the period under review, the directorate developed two policies and a strategy document.

The policy on agriculture for sustainable development facilitates a co-ordinated approach towards achieving an ecologically, socially and economically sustainable agricultural sector in South Africa. This supports the government's commitment towards poverty alleviation, food security and economic development. It emphasises the creation of a prosperous agricultural sector while protecting the national biological and physical resource base, as well as enhancing human health and wellbeing.

During the WSSD held in South Africa in 2002, the main theme was action concerning poverty and the environment. Governments committed themselves to facilitating access to clean water and proper sanitation, energy services, to improving health, agriculture, as well as the greater protection of the world's biodiversity and ecosystems.

In response the department developed the policy which will be implemented in the next financial year. The policy will encourage all stakeholders to incorporate the principles of sustainability into farming practices and related matters.

The strategic framework for plant production aims at creating measures for developing plant production. Meetings with provincial departments of agriculture and producer organisations secured valuable inputs and the strategy was then converted into a policy document, the *National policy on plant production in South Africa*. This policy aims at creating a broad framework for the development of the plant production sector. The policy is supported by others focusing on commodities such as grains, industrial crops, fruit, indigenous crops, vegetables and ornamental plants. All these supporting policies will be finalised during the 2004/05 financial year.

### Legislation

The directorate manages the Plant Improvement Act with the post of a registrar for this act expected to be filled in the next financial year. Plant improvement schemes for new entrants will be developed during the 2004/2005 financial year.

### Client and public interaction

The directorate interacted with various clients on a variety of issues, such as:

- Production of mini vegetables. There is an increasing interest in producing these vegetables, especially for the export market (niche market). Most enquiries were about production practices and how these differ from those of ordinary vegetables.
- Hydroponics. The enquiries were mainly around production of vegetables through this system, crop choice, fertilisation and control of pests and diseases.
- Biodiesel. There is a growing interest in this development field. The enquiries focus mainly on possible crops to be used. In the future problems may occur as production of crops for biodiesel may compete with land for food production.
- Organic crop production. The enquiries were mostly on production of vegetables and fruit using this type of system.
- Community gardening. The enquiries were about training and capacity building on vegetable production and the possibility of adding value.
- Precision farming. The enquiries were about the feasibility of this system on various soil types and weather conditions.
- Production practices for various crops.
- Essential oils. Enquiries were from people interested in producing indigenous crops for the extraction of oil for export purposes. Because of South Africa's large biodiversity there is huge potential that is still largely untapped.
- Vegetable production. Requests came from people who intended producing vegetables as part of community projects. Inquiries were on fertiliser requirements, irrigation methods, and adding value as well as about training and capacity building.
- Production of herbs.
- Hemp production.
- Biodynamic farming.
- Permaculture.

During the period under review the directorate participated in 11 information days for farmers. It also provided farmers with information on aspects such as the best cultivation practices of various crops and post-harvest handling.

### Programmes and projects

The programme for household food production is aimed at reviving, supporting and promoting the production of food at household level. This would assist greatly towards solving problems such as hunger and malnutrition and, in turn, enhance the attainment of household food security. Implementation is set for the 2004/05 financial year.

The programme on production of alternative staple crops is aimed at supporting the production of other staple crops, including indigenous crops to decrease the country's dependence on maize, which is a drought-prone crop.

During the period under review the directorate completed the programme on the commercialisation of indigenous crops. This programme can be beneficial to thousands of smallholder and emerging farmers. It could also contribute towards rural development by creating entrepreneurial opportunities in rural areas that are plagued by poverty and underdevelopment.

### Products and services

Progress on the discussion document on best production practices for organic crop production was hampered by the lack of well-organised producer organisations to represent farmers involved in the organic crop production sector. Discussions were held with many small organisations, all claiming to represent the sectors in question. However, a document followed discussions with role-players.

During the year under review routine testing of seed samples at the seed testing laboratory continued in compliance with the prescribed standards of the Plant Improvement Act and ISTA. An increasing number of seed samples are being presented for testing, implying the necessity to expand the laboratory's capacity. There are also plans to increase the testing capacity for genetically modified seeds. A computerised seed analysis system was installed and is being monitored.

South Africa has thousands of smallholder farmers. Many of them are finding it difficult to earn a decent living from their farming activities because of various factors such as the use of unsustainable production practices. The discussion document on best practices for smallholder production systems aims at creating a framework for production practices appropriate for smallholder farmers and their unique needs. The document will receive further attention during the 2004/2005 financial year.

### Intergovernmental

The directorate participated in the Interdepartmental Committee on Biodiesel, co-ordinated by the Departments of Minerals and Energy and of Science and Technology. A position paper on biodiesel was developed with the aim at setting out the manner in which the agricultural sector would deal with the introduction of biodiesel in South Africa. Among other things the document emphasised the importance of preserving prime agricultural land for food crops and proposed that, where feasible, nonfood crops should be used for biodiesel.

The production of essential oils is gaining popularity in South Africa as, amongst others, a huge export market exists. Because of its rich biodiversity South Africa is well positioned to capture these markets.

As a result of its work on industrial crops, including essential oils, the directorate served on the Department of Trade and Industry's steering committee dealing with this matter. Further developments in this field will become evident in the 2004/05 financial year.

### International

South Africa plays an important role in ensuring the harmonisation of seed regulation in the SADC, including in its seed security network that ensures the availability of good-quality seed in the region to enhance food security. The directorate has also trained several seed analysts and managers of seed testing laboratories from various SADC countries.

In support of the government's post-conflict reconstruction in the Democratic Republic of the Congo, the directorate is involved in the rehabilitation and development of the agricultural sector there. Meetings took place with officials of that country's Ministry of Agriculture as well as with other agencies such as the FAO and the World Bank involved in the reconstruction of the country.

During the period under review, South Africa's official seed testing station at Roodeplaat was reaccredited by ISTA. This followed an audit by the association in March 2004. This accreditation means adhering to the association's standards and requirements to ensure that seed used internationally is of high quality.

# Scientific research and development

**ramagwai sebola**
acting senior manager

The directorate promotes and co-ordinates the implementation of national agricultural research and technology development policies, norms and standards, in line with the Agricultural Research Act, 1990 (Act No. 86 of 1990) and other national policies on science and technology.

## OBJECTIVES

The objectives of the directorate are to establish and maintain the National Agricultural Research Forum (NARF) and provide its secretarial services, facilitate the development and implementation of agricultural research and development (R&D) policies and strategies and the development and implementation of policy, strategy and programmes for capacity building within agricultural R&D.

It also develops an enabling environment for the effective functioning of the national agricultural research system and maintains effective liaison with bilateral, regional and multilateral organisations including the SADC, the Forum for Agricultural Research in Africa (FARA) and the consultative group on international agricultural research on research and development initiatives.

### Policy

The challenges of technology transfer and extension models for South Africa led to the policy proposals for extension services to provide norms and standards in the delivery of government programmes and services for agrarian reform. The draft policy will be available for public comment and possible implementation in the next financial year.

The debates on public spending for agricultural research necessitated the development of a departmental policy on co-ordination and management of research projects. This policy will allow for a consolidation of the R&D budget and provide a basis for quantifying spending. Both national and provincial spending on R&D related activities will be included in the policy.

Contributions were made to the development of a position paper on climate changes in the agricultural sector.

### Client and public interaction

The directorate provided secretarial services to the steering committee and plenary meetings of the NARF. The forum also continued to provide advice and guidance to stakeholders on issues such as the levies for agricultural research as well as a platform for sectoral debates on issues involving intellectual property rights.

### Programmes and projects

The directorate maintains a database on the consultative group on international agricultural research-funded challenge programmes from which South Africa could benefit. In particular, activities of the challenge programme on water in the Limpopo

River basin and the African challenge programme headed by the FARA, are regularly monitored for effective feedback into the national agricultural research system.

### Products and services

In support of capacity development of scarce skills, the directorate facilitated the travel and logistics arrangements of students to universities in the USA under the professional development programme, administered jointly with the ARC.

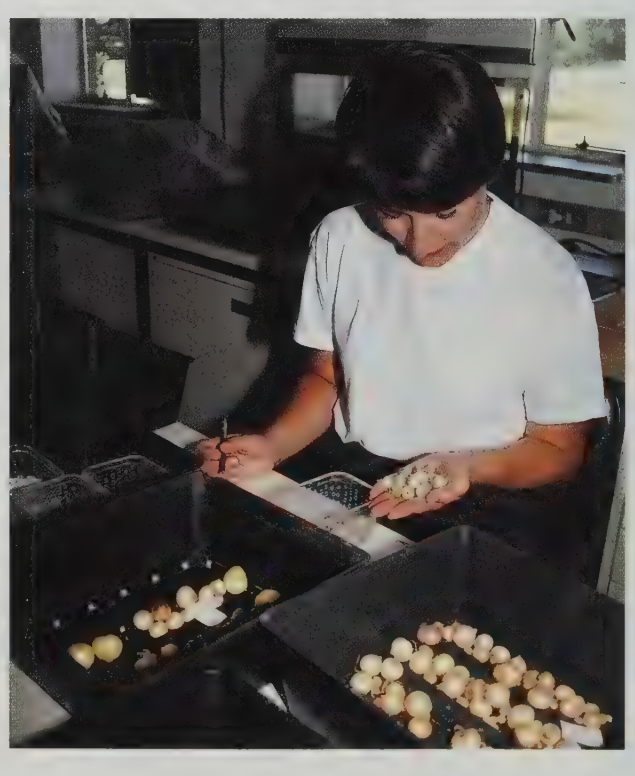
### International

Through national workshops the directorate provided a platform for information dissemination and sharing on the CAADP. Criteria for the development of bankable project profiles for funding under the programme were developed for presentation at the African Union summit of Heads of States in Maputo, in July 2003.

Regional co-ordination on agricultural research and training was a key priority in the year under review so as to obtain international funding through the FARA. In the next financial year South Africa will play a leading role to ensure that the region utilises opportunities and funds for agricultural research programmes in support of the SADC's priorities.

The department played a leading role in promoting agricultural research in international forums for the SADC secretariat. Critical issues such as NEPAD and the CAADP's project development, the FARA's challenge programme and other research initiatives in the region, will be discussed.

Following numerous discussions with the Consultative Group for International Agricultural Research, the department decided to withdraw its offer to host the International Service for National Research and terminated the host country agreement.



# 6 sustainable resources management and use

sizwe mkhize
assistant director-general

## AIM

This programme promotes sound management and sustainable use of land and water resources in agriculture.

## PROGRAMME POLICY DEVELOPMENT

This programme consists of two directorates:

**Land Use and Soil Managemen**t focuses on the conservation of natural resources through the Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983). Pest control, reclamation of land resources and land care are the major activities in this directorate.

**Water Use and Irrigation Development** focuses on agricultural infrastructure development and irrigation through the Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983). Rehabilitation of irrigation schemes and provision of water to rural communities are critical activities within the directorate.

## PROGRAMME OVERVIEW

The severe drought early in the past year impacted on the activities within this programme. This situation compelled the Directorate Water Use and Irrigation Development to focus on water provision for rural communities, emerging as well as commercial farmers. Drought also affected the type of pests and the season during which the pest problem had to be controlled.

The Directorate Water Use and Irrigation Development has, with the Department of Water Affairs and Forestry, developed the drilling policy. A need to test all boreholes for water quality, particularly for use by people and livestock, was identified. Testing is already underway and the results will be added to the national geohydrology database.

The directorate also provided professional engineering services to all the provinces, resulting in the alignment of projects and technical co-operation. This created an enabling environment for provinces to apply agricultural water guidelines and engineering support in planning, design, specification implementation, operation and maintenance as well as monitoring and evaluation of norms and standards.

The Directorate Land Use and Soil Management developed a policy on the expanded LandCare programme. This will enable provincial departments of agriculture and other stakeholders to facilitate sound management of natural agricultural resources through awareness campaigns and capacity building.

## KEY OUTPUTS, INDICATORS AND TARGETS

| Directorate | Output | Indicator | Target | Status |
|---|---|---|---|---|
| Water Use and Irrigation Development | Policy on drilling | Drilling policy | March 2004<br><br>700 boreholes drilled and rehabilitated | Draft policy is being further developed, taking into account water quality issues, particularly on water for human consumption and livestock use |
| | Provision of engineering services | PDAs involved in the processes | All PDAs participated by March 2004 | Networking with all provinces has taken place and projects and technical co-operation have been aligned |
| Land Use and Soil Management | Policy on expanded LandCare programme | Proportional increase in LandCare programmes | March 2004 | Draft policy on expanded LandCare is being debated and PDAs are giving input in this process already |

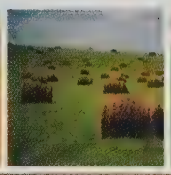
**bonga msomi**
senior manager

# Land use and soil management

The purpose of the directorate is to render agricultural land use and soil management services. It is mandated to promote and co-ordinate the conservation of natural resources on agricultural land through the Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983), the Agricultural Pests Act, 1983 (Act No,. 36 of 1983), the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970) and the Fencing Act, 1963 (Act No. 31 of 1963).

## OBJECTIVES

The objectives of the directorate are to promote, regulate and co-ordinate the sustainable use of agricultural resources, through the development of norms and standards for effective use of soil, water and the administering of agricultural land. It also promotes land and water services and the sustainable use of agricultural resources through policy development and implementing



a national awareness and the LandCare programme. Furthermore, the directorate administers agricultural land, monitors agricultural resources and controls migratory pests.

## ACHIEVEMENTS

### Policy

DEVELOPMENT OF BLACKFLY POLICY

The first revision of the policy was completed. Users, stakeholders and beneficiaries were consulted and the policy will be resubmitted to the executive committee, pending consultation with the science and technology committee.

REVIEW OF REDBILLED QUELEA POLICY

Work is progressing on the envisaged policy review and review meetings with the relevant role-players are ongoing.

REVIEW OF THE LOCUST POLICY

A locust control workshop was held. It was proposed that the name of the current control system be changed from a commando system to a locust control system, the existing locust control system be upgraded and outsourced to contractors on a tender basis, the use of an early warning system be considered to detect high-frequency areas and that funding be sought for locust control outside government structures.

A concept note on the review of the current policy for managing the locust problem in South Africa was submitted for support and recommendation to the executive committee.

DEVELOPMENT OF PRIME AND UNIQUE AGRICULTURAL LAND POLICY

A draft policy was compiled with the intention to ensure that prime and unique agricultural land, ± 4 % of South Africa's total land area, will remain zoned for agricultural purposes, contributing to food security.

DEVELOPMENT OF THE LANDCARE POLICY

The first draft was circulated for comment. The provincial LandCare co-ordinators, participants in the study tours to Australia who specifically looked into policy development and other key stakeholders attended the workshop. Six basic principles were adopted and the process of ensuring that all relevant departmental forums approve the policy, was outlined.

The policy was completed and will be submitted to the Science and Technology Committee, the Executive Committee and the Intergovernmental Technical Committee for Agriculture (ITCA) for approval.

ADOPTION OF AGRICULTURE CHAPTER ON THE NATIONAL ACTION PLAN ON THE CONVENTION TO COMBAT DESERTIFICATION

The revision of the agriculture chapter in the national action plan on the Convention to Combat Desertification (CCD) was presented to the sixth meeting of the convention of parties in Havana, Cuba. The aim was to influence Africa's position for the best implementation of the convention. Some of the outcomes from the committee on science and technology were that the committee should work on synergies with the scientific bodies of the other conventions such as the United Nations (UN) Framework Convention on Climatic Change and the Convention on Biological Diversity (CBD). Parties to the UN CCD should, in their reports on implementation of the convention findings, reflect the World Summit on Sustainable Development (WSSD) Johannesburg plan of action. Parties were tasked through their relevant organisations, nongovernmental organisations and research institutes to formulate views on how to incorporate local indigenous knowledge.

Bilateral discussions between the South African delegation, the European Union (EU) and the World Bank on kick-starting projects for the country took place and will be further pursued with these donors.

A follow-up meeting with delegates to the convention of parties discussed future activities. A meeting to discuss a resource mobilisation strategy resolved that the CCD would create a deserfication fund.

## Legislation

The Sustainable Use of Agricultural Resources Bill was reviewed and the target date set for the submission to Parliament is 30 June 2004.

## Client and public interaction

During the year under review 625 weed and invader plant working group meetings were held with regard to Regulation 15 of the Conservation of Agricultural Resources Act where demarcations and control strategies were negotiated. In total 259 meetings were held to liaise with 1 057 leaders in agriculture regarding the promotion of sustainable resources utilisation.

### THE MKUZE PROJECT

The project's aim is the rehabilitation of the Tshanetshe pan on the Mkuze river system. It was done in collaboration with the working for wetlands programme and the output was a soil cement berm covered with Armorflex and natural vegetation.

The directorate assisted with the development of a project plan that outlined all construction specifications and maintenance. Working for wetlands did the construction through a local contractor and labourers from the local community.

### THE VAALHARTS PROJECT

This is an integrated development programme project aimed at rehabilitating the 30 000 ha irrigation system in the Vaalharts municipality. Information on farm boundaries and the location of departmental drains was captured in a geographic information system (GIS) that will be used for the state of the resource analysis to evaluate agricultural practices.

The directorate developed the state of resources questionnaire that was distributed to the farmers and 40 % was returned. The data was captured in a database and presented in ARCView to enable informed decision making.

### THE LAND ASSESSMENT IN DRY AREA PROJECT

A draft project proposal and six new research project proposals in collaboration with the Agricultural Research Council (ARC) were prepared. If approved, the projects will be implemented during 2004/2005.

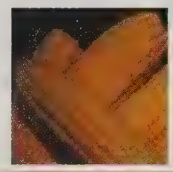
### LANDCARE

ITCA and the LandCare working group met and a report was submitted for approval.

## Programmes and projects

A number of legislation items were enforced:

- 796 Awareness raising sessions were conducted to inform 8 899 land users on the objects of Act No. 43 of 1983.
- 1 633 Inspections were conducted to address new malpractices on 55 067 ha, involving 1 627 land users.
- 1 807 Inspections were conducted on 268 330 ha with existing malpractices, involving 2 119 land users.



- 317 Inspections were conducted on 55 729 ha where malpractices were successfully resolved, involving 324 land users.
- 224 Permissions for virgin soil cultivation of about 11 850 ha were approved.
- 108 Cases involving Act No. 70 of 1970 applications were inspected
- 36 Court cases were initiated, involving 67 land users on 1 104 ha of land.
- 262 Inspections were done on existing weed scheme participants involving 26 265 ha.
- 70 Inspections were done on new weed scheme applicants involving 2 841 ha.

MIGRATORY PEST CONTROL

A total of 460 blackfly sites were monitored and the average blackfly larvae counts were between two and four.

Some 600 ℓ of VectoBac and 80 ℓ of Abate were used in four blackfly control operations. An average success rate of 100 % was attained.

Another 16 800 ℓ of VectoBac were used in three blackfly aerial control operations with an average success rate of 90 %.

Early warning trial runs were done on locusts in the Calvinia West and Central Karoo locust districts and no signs of solitary brown locusts were observed.

Two outbreak reports were received from the Thabazimbi and Gordonia districts and inspection proved that the species, bush locust *Gastrimargus vitripennis*, was not among the four locust species that are controlled by the Agricultural Pests Act of 1983 (Act No. 36 of 1983). Farmers were advised on alternative control action.

Brown locust outbreaks were reported from locust control districts at Van Wyksvlei, Marydale, Kenhardt, Prieska and Groblershoop. These outbreaks were still in the build-up phase, which implied that a serious locust outbreak could be expected during the next rainy season. The district locust officers from the affected districts were called up to assess the situation.

In this financial year a total of 169 quelea reports were received and 110 pre-control inspections were done. In total 108 control operations were done, of which 42 were fuel explosions and 66 were aerial chemical spraying control operations. During this period, 34,7 million redbilled quelea were controlled on roosts involving 385 ha. The average success rate was 79 %.

LANDCARE INFORMATION SYSTEM

The first web interface in the new agricultural geographical information system (AGIS) format and databases for the LandCare information system has been completed. This makes provision for general information regarding land care, which includes what land care is, objectives and operational principles, policy and legislation, how does one get involved and Institutional arrangements.

AGRICULTURAL GEOGRAPHICAL INFORMATION SYSTEM

The events database is available for the agricultural sector in South Africa to publish important events. It makes provision for general information regarding the type of event, venue, accommodation, transport arrangements and on-line registration. It also provides for upload agendas, minutes, presentations and even maps to the venue. The database is web specific, therefore only land care events will be displayed and all events will be accessible from the systems homepage.

The organisational database is available for the agricultural sector in South Africa to capture and publish organisational information via the Internet. It provides for the capturing of contact information and business description, including core business, major services and products, organisational type, and size as well as area of interest. The database is web specific and only organisations involved in land care will be accessible via the LandCare information system. Search facilities were developed to assist users to identify specific organisations and to obtain relevant information through the use of screen-tips and fact sheets.

The expertise online database provides the functionality to capture, update and query information regarding individuals involved in the agricultural sector. Data fields provide for the capturing of personal information, training, experience and skills. This database is also web specific and only individuals involved in land care will be displayed on the LandCare information system.

The organisation, events and expertise databases were linked together in the organisational fact sheet, in the form of attachments, to provide the user with a single interface to obtain a complete overview of a particular organisation such as the core business, individuals employed, organisational structure and activities involved in. This will be expanded during the 2004/05 financial year to include information on current projects.

VIRTUAL HERBARIUM

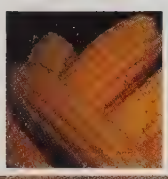
More than 70 % of the area of South Africa is used for livestock production. The sustainable utilisation of the natural veld is dependent on information regarding the plant species that occur in a particular area. The aim of the virtual herbarium is to provide a tool for the identification and description of plant species that are important from an agricultural perspective.

Databases were developed to provide for the capturing of information for dwarfshrubs, forbs, geophytes, grasses, shrubs, succulents and trees. The data-capturing interface is web-enabled, which allows for the capturing of data from any computer that is connected to the Internet. Most of the data capturing takes place at the Range and Forage Institute in Bloemfontein.

A virtual herbarium interface was developed which allows users to search for specific plants by scientific, family, or popular name as well as by growth form. Functionality of the interface was enhanced by using screen tips to provide the user with a brief description for the different growth forms.

A quick ID guide was developed to assist with the identification of plants. It provides a visual guide to identify particular plant species through the selection of predefined growth forms and characteristics such as leaf type, fruit type and thorn type. After selecting a particular set of plant characteristics the user is provided with a list of plants, with pictures, that meet the selected plant characteristics.

Information was captured for approximately 300 plant species, including 1 100 photographs. The fact sheet describes the important characteristics of a particular plant and information such as invasive status, protection status as well as animal and human uses.

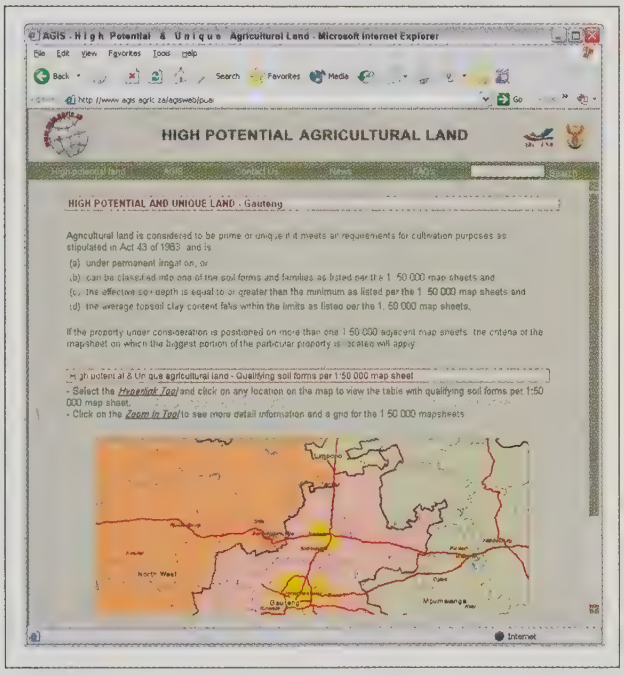


LAND CAPABILITY INFORMATION SYSTEM

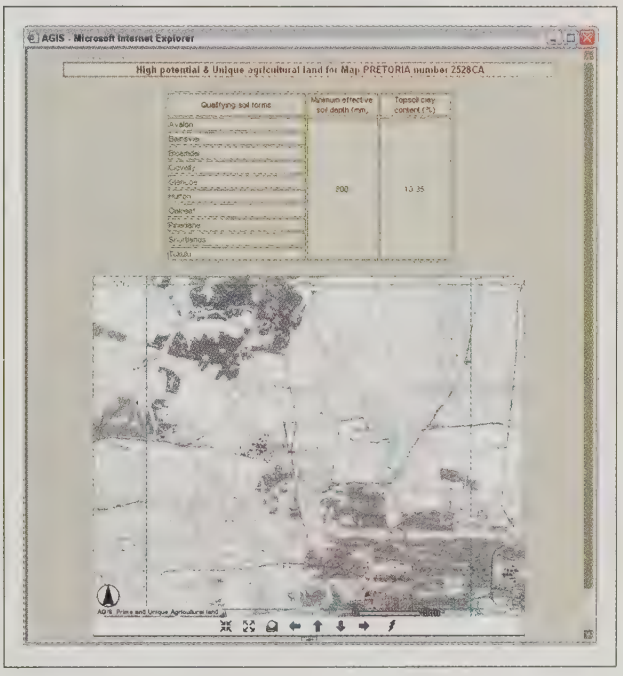
The system was developed to indicate, on a national level, the most intensive long-term use of land for rain-fed agriculture and at the same time indicate the permanent limitations associated with the different land-use classes. Information available includes methodology and criteria used as well as the results of the study in a spatial format supported by the land type and land capability information for a specific area.

A prime and unique agricultural land information system was developed to provide the user with a list of soil forms regarded as prime/unique per 1:50 000 topo-cadastral map sheet. The purpose of this site is to assist individuals or groups considering application for a change of land use from agricultural to non-agricultural uses. Due to limited high-potential agricultural land in South Africa, criteria were developed for identifying prime and unique agricultural land to be preserved for agricultural use to enhance food security.

User specifications were developed in conjunction with the division responsible for subdivision of agricultural land and the Institute for Soil, Climate and Water of the ARC. Tables were developed per 1:50 000 map sheet, indicating soil forms with associated soil depth and clay percentage regarded as prime/unique. A web interface was developed to allow users to obtain information on the methodology and criteria used for the identification of prime/unique agricultural land. A spatial interface was developed including supporting information to enable users to obtain information per 1:50 000 map. Development of databases to capture documents regarding applicable policy, legislation and application procedures and forms also received attention.


AGIS - High Potential & Unique Agricultural Land - Microsoft Internet Explorer
HIGH POTENTIAL AGRICULTURAL LAND
HIGH POTENTIAL AND UNIQUE LAND - Gauteng

Spatial interface and criteria




Soil forms per 1:50 000 map

AGIS WEB STANDARDS

The purpose of this project was to develop standards for web development within the AGIS environment.

Web standards were developed for AGIS, describing the system architecture, development environment, databases, web look and feel, procedures and skill requirements was accepted by the working group.

To enhance the access speed and functionality, a new look and feel was designed and tested. This resulted in a marked improvement in access speed as well as the optimisation of available space to display information while retaining a "three click" environment.

Thirteen of the static web pages were transformed to concur with the new standard to test and finalise the new standard. This also included other AGIS functionalities such as the site map, content, search functionalities, links, contact information as well as frequently asked questions and answers.

### THE VELD MANAGEMENT INFORMATION SYSTEM

The aim of the system is to provide long-term national grazing capacity standards and seasonal deviations from the long-term norm and outlooks. Information is derived from modelling and the use of remote sensing data. A conceptual framework was developed for this information system.

User specifications, technical specifications and the development of the AGIS web framework were also completed. This information system provides access to information on long-term grazing capacity norms, policy and legislation guiding the use of natural rangelands, monthly updates to accommodate temporal variations in available biomass, three-monthly outlooks, a rangeland information bulletin, drought indices as well as satellite derived information.

The initial web interface was developed focusing on grazing capacity. The model was refined to simulate veld production and the compilation of a newsletter on veld management. A study was also undertaken to investigate the use of AirZip to improve access speed.

The interface was finalised by shifting the focus from grazing capacity to veld management. This will allow for the inclusion of additional information like veld management practices during the next financial year. The atlas on veld production based on the results obtained from the PUTU model was also developed and the Veld Info newsletter distributed, including information on current conditions as well as outlooks. Researchers are still in the process of compiling the information to populate this system.

### WOCAT INFORMATION SYSTEM

The world overview on conservation approaches and technologies (WOCAT) serves as a source of information on possible solutions to prevent degradation and to rehabilitate degraded areas. Access speed to the international WOCAT database renders it practically useless in South Africa, using agrinet infrastructure as it takes 12 minutes to obtain information.

The framework for the WOCAT information system in South Africa was developed in consultation with the audit division responsible for the WOCAT initiative in South Africa.

The first phase WOCAT web was developed to allow access to South African technologies captured on the WOCAT database. Information included a general overview of the WOCAT initiative, information sheets in pdf and Word formats as well as summarised information on these technologies extracted form the WOCAT database.

### NATIONAL LAND COVER 2000

As a member of the funding consortium for the development of the national land cover 2000 database, the department provided one stet of the Landsat 7 images used for the development of this database. The CSIR and ARC handled the financial, technical management and quality control of the project. The bulk of the actual image processing and field verification was done by the remote sensing community.

The first phase of the project, which covered KwaZulu-Natal, Mpumalanga, Limpopo, Gauteng, and parts of the Free State and North West with a maximum mapping unit of 1 ha (compared to 16 ha for the 1995 databases) was completed. Wetland modelling was also completed and will be available as a separate layer.

Ortho-rectification of the satellite images was completed, and consultants for image analysis and field verification were selected and appointed for the second phase of the project. Training material was compiled and lectures were presented at selected tertiary training institutions to develop capacity in the field of land cover mapping.

### INSPECTORATE INFORMATION SYSTEM

The aim of this system is to develop a georeferenced management system for the Land Use and Soil Management inspectorate. The first phase of the project focused on the capturing of all activities associated with the administration of Act No. 43 of 1983. User and technical specifications were developed in phase one and presented to members of the inspectorate. They were used for capturing activities regarding the control of invasive plants.

Databases and systems required for phase one were developed and incorporated into the AGIS environment. Spatial interface, which include on-screen capturing of spatial information such as points, lines and polygons could not be completed due to the long delay with the upgrading of the informix.

Development of the system was halted as a result of incompatibility of the spatial interface with the current versions of software. This project can only resume after the upgrading of Informix.

### AGRICULTURAL RISK MANAGEMENT FRAMEWORK FOR AGIS

One of the objectives of the system is to provide information for strategic as well as tactical/operational management of agricultural enterprise to maximise economic return for the sector. As dryland agricultural production is directly related to the adverse climatic and other risks, there is a real need for timely information and tools to minimise these risks.

Major topics that needed investigation were identified. These included production risks, price or market risks, financial risks, human or personal risks, legal, social and environmental risks.

The ARC did the national literature study which focused on role-players and their activities regarding risk management in South Africa.

### SPATIAL REFERENCE BASE FOR AGIS

The AGIS servers are at present a repository for information which does not lend itself to the development and operational application of models and tools to query the available data through predefined and user-defined interfaces. The aim of this project is to restructure the development environment of the system as a first step in transforming it into an information system.

A conceptual model was developed and further enhanced by using an object-orientated approach to link researchers, IT and the user community. The possible use of neural-networks software to identify patterns in the raw data was also investigated and seems promising. A pilot study will establish such an application.

SPITSKOP

Twenty percent of the infrastructure at the Spitskop conservation area was serviced in this financial year. This included road infrastructure, maintenance of border fencing and the water supply system, removal of regrowth of thorn trees, clearing of trees on sediment and removal of the internal fences.

LANDCARE MONITORING AND EVALUATION AND PROCESS CYCLE

Four workshops were held to conceptualise the LandCare monitoring and evaluation and its process cycle.

## Products and services

A draft report on the status of the agricultural resources is being reviewed and will be presented to ITCA.

The project proposal for the monitoring of two additional nodes of the Integrated Sustainable Rural Development Programme will be dealt with as soon as the research priorities have been finalised.

A workshop is planned to determine the way ahead with the implementation of Landsat 7 in all provincial offices.

The implementation of the helicopter camera system has been put on hold as a result of technical problems.

The allocation criteria for LandCare projects have been completed. A manual for using the mapping functions of AGIS was developed to assist in the training of LandCare personnel during the next financial year.

## Intergovernmental

The directorate was involved in the Integrated Development Plan process, interacting with local, provincial and national departments, programmes and institutions.

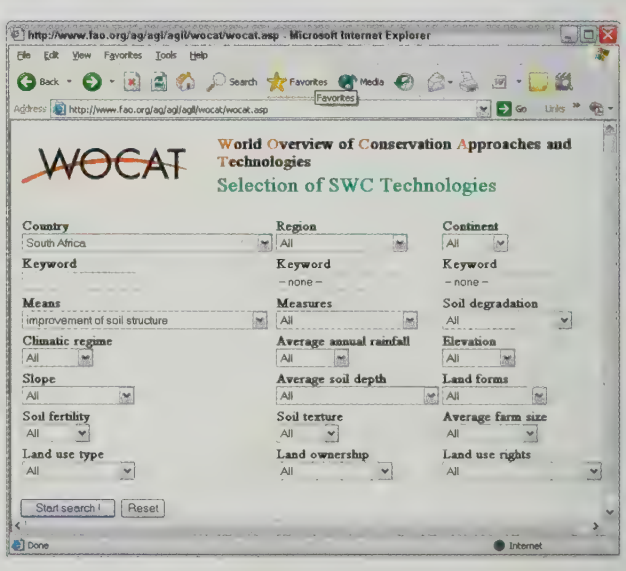
The launch of the MODIS satellite system was delayed and discussions with the Satellite Applications Centre to finalise the event is continuing.

Numerous meetings with departments such as Water Affairs, Environmental Affairs and Tourism and Land Affairs with regard to projects such as biodiversity and river management, took place during the year under review.

## International

South Africa is one of the world leaders on WOCAT and a consultation session in Bern, Switzerland, where South Africa could present its experiences regarding issues such as problems with quality control and the expansion of the database and the transformation of the South African database into Informix, was suggested.

More than 20 people attended a national WOCAT workshop where the South African database on CD-ROM with more than 100 completed and integrated questionnaires and fact files with two-page summaries, were presented.




One official attended the convention on biodiversity in Malaysia in February 2004 as an observer to gain an international viewpoint on protected areas and agricultural biodiversity of invasive plants, with a view to add the information gained to the draft Sustainable Use of Agricultural Resources Bill, currently in process.

# Water use and irrigation development

at van coller
senior manager

The directorate renders support in the development of water resources and their effective use and co-ordinates the rehabilitation of small-scale irrigation schemes. Through the Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983), the directorate facilitates the protection of agricultural land resources against land degradation. It also establishes groundwater development and runoff control infrastructure in priority areas identified by the provinces.

Furthermore, the directorate establishes national norms and standards for the development of agricultural water resources. It advocates for effective management of water quality and quantity as a natural resource in agriculture.

## OBJECTIVES

The objectives of the directorate are to enable effective development and management of agricultural resources, including surface water and groundwater in the saturated and unsaturated zones, to promote agricultural water management through effective water use on irrigated and dryland and to develop policies and systems aligned with the National Water Act, 1999.

The directorate creates an enabling environment for the planning, design, development, improvement, maintenance, revitalisation and rehabilitation of a water management infrastructure.

The directorate also provides project implementation support for agricultural infrastructure development to improve water runoff control on a catchment level, access to groundwater for stock watering and community food gardens, irrigation infrastructure in support of the Integrated Food Security and Nutrition Programme (IFSNP), the Land Redistribution for Agricultural Development (LRAD) programme and the WSSD and NEPAD priority projects in rural development nodes. The directorate also provides agricultural engineering support services under the Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983), in line with the provisions of the Engineering Act, 2000.

## ACHIEVEMENTS

### Policy

The directorate drafted a memorandum of understanding to promote collaboration among various stakeholders in the development of water resources and rehabilitation of small-scale irrigation schemes. The consultative committee on agricultural water facilitates rehabilitation of such irrigation schemes in the provinces. This committee will work closely with the co-ordinating committee on smallholder irrigation system, which represents most state bodies at national levels.

Issues such as schedule 1 water, water tariffs, world-water assessment, runoff reduction activities, drought relief, water user associations and water infrastructure will in the future be discussed at these forums.

A drilling policy is being further developed to include aspects of water quality, particularly where underground water is used for human consumption and livestock.

An agricultural chapter on integrated development programmes involves collaboration with the ARC on its agricultural development programme for local authorities, and will develop georeferenced information systems-based data which are also required for the agricultural chapter.

### Programmes and projects

Awareness has been created regarding the provision of engineering services to stakeholders. This has also created an enabling environment to apply agricultural water guidelines and engineering support in planning, design, specification, implementation, operation and maintenance as well as monitoring and evaluation of norms and standards.

A number of research projects were commissioned during the year under review, including on-farm development and promotion of small-scale mechanisation. Technologies were developed for appropriate mechanisation on a small area and the methodology for training and support requirements established.

Alternative cropping, such as the use of in-field water-harvesting techniques on vertisols to provide stable crop production for small-scale and subsistence farmers, has been established. Comparisons between in-field rainwater harvesting and conventional tillage practices are made and demonstrated to local farmers. Results are promising, with certain crops, for example maize, sunflower and beans, doubling the yield. This long-term project is aimed at enhancing food security, particularly for the poor.

A technical co-operation project with the Food and Agriculture Organization (FAO) aims at formulating a strategy to promote the adoption of conservation agriculture. Researchers, extension personnel and leading farmers have been exposed to conservation techniques abroad.

Drilling and construction works have been conducted throughout the country, concentrating on drought-relief boreholes for water provision to poor rural communities, farmworkers and livestock. A number of boreholes have also been rehabilitated.

### Intergovernmental

The programme has interacted and collaborated with the private sector and most government departments, including the Departments of Environment and Tourism, Water Affairs and Forestry, Minerals and Energy as well as Trade and Industry, previously disadvantaged areas and the ARC and small-scale and emerging contractors.

### International

Collaborative work continues with the International Water Management Institute, FAO, and the International Commission on Irrigation and Drainage.

# 7 national regulatory services

Kgabi Mogajane
assistant director-general

## AIM

The Programme National Agricultural Regulatory Services develops and monitors risk management strategies, policies and legislation for the responsible use of genetic resources, control of animal and plant diseases to ensure food safety.

## PROGRAMME POLICY DEVELOPMENT

The programme comprises five directorates:

**Food Safety and Quality Assurance** ensures that food control is co-ordinated and that products destined for human consumption are safe

**Genetic Resources** provides and regulates a national management system in support of safe and sustainable use of genetic resources in agriculture, and offers leadership in the use of genetically modified products

**Plant Health** manages risks associated with plants and plant products

**Animal Heath** manages risks associated with animals and animal products, and assists in the negotiation of protocols for the import and export of animals and animal products

**South African Agricultural Food and Quarantine Inspection Services** ensures that imported and exported goods are safe.

## PROGRAMME OVERVIEW

The communal areas of South Africa continued to experience outbreaks of diseases that are preventable such as lumpy-skin disease, anthrax and brucellosis. The outbreak of foot-and-mouth disease in Zimbabwe is of concern to South Africa. South Africa therefore continued to make a meaningful contribution to the SADC livestock development policies.

The increasing demands in the export of products, especially in the fruit and vegetable industry, will require a strong component in pest risk analysis to keep up with the pace of negotiating protocols. The monetary value of citrus fruit exports amounted to approximately R2,3 billion. The combined value of exports of avocados, litchis and mangoes amounted to some R325 million. Cut flowers and foliage exports as well as bulbs and plants amounted to some R268 million. It is therefore quite important to continuously review capacities and working procedures to meet local and international demands.

Deputy President Jacob Zuma, Minister for Agriculture and Land Affairs, Ms Thoko Didiza and Dr Johann van Wyk, Senior Manager of the Directorate Animal Health at the opening of the 27th meeting of the Scientific Council for Tsetse and Trypanosomiasis Research Control (ISCTRC) in Pretoria

## KEY OUTPUTS, INDICATORS AND TARGET

| Directorate | Output | Indicators/measurement | Target | Status/comment |
|---|---|---|---|---|
| Food Safety and Quality Assurance | Food safety awareness programmes | Guides, database and awareness programmes available | Ongoing | Guides in place |
| | Agricultural Production Inputs Bill | Agricultural Production Inputs Bill in place | March 2005 | Decision taken to split the bill Drafting will commence during the year |
| Genetic Resources | Regulated trade and genetic material | Permits, certificates, protocols and agreements | Ongoing | Ongoing |
| | Amended GMO Act | Amended GMO Act in place | End 2004 | Amendment not started, delay in consolidating inputs |
| Plant Health | Plant diseases management system | Database, surveys and contingency plan in place | Ongoing | Achievements made, see text under Plant Health |
| | | Permits, certificates, protocols and agreements | Ongoing | |
| Animal Health | Animal health management system | The following policies in place:<br>Contingency plan for animal diseases<br>Brucellosis policy<br>Snotsiekte policy<br>Animal disease control policy<br>BSE strategy | End June 2004 | Policies awaiting final approval |
| | | Permits, certificates, surveys, protocols and agreements in place | Ongoing | Ongoing |
| SA Agricultural Food, Quarantine and Inspection Services | Inspection reports | The number of cases not complying with legislation | Ongoing | Inspection reports to inform policy units of updating of the legislation |
| | Border control strategy in place | Border control strategy in place | End June 2004 | Strategy to be finalised end June 2004 |

**morongoe rathebe**
senior manager

# food safety and quality assurance

This new directorate is responsible for promoting the consumption of safe, quality agricultural food products of animal and plant origin. The purpose of the directorate is aligned with one of the key objectives of the department of ensuring access to safe and nutritious food.

The directorate is responsible for the administration of various acts such as the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947), the Meat Safety Act, 2000 (Act No. 40 of 2000), the Liquor Products Act, 1989 (Act No. 60 of 1989) and the Agricultural Products Standards Act, 1990 (Act No. 119 of 1990).

## OBJECTIVES

The objectives of the directorate are registration of farm feeds, fertilisers, agricultural remedies and stock remedies used in the agricultural sector, ensuring efficiency and safety of products and the safety and quality of foods of plant and animal origin.

## ACHIEVEMENTS

### Legislation

Discussions on the Agricultural Production Enhancement Bill that is supposed to replace Act No. 36 of 1947 concluded that the scope of the bill is too wide and that it will have to be reviewed.

### Client and public interaction

Interaction with various clients took place during the year under review. Actions included hygiene assessment system training at the Vryburg abattoir. This training levelled the playing field in the scoring used for evaluations in the abattoir to ensure the safety of meat.

Lectures to stock theft officials of the South African Police Service on the Meat Safety Act assisted in ensuring proper law enforcement. At the Animal Feed Manufacturing Association congress on developments in animal feeding, feed safety and traceability were discussed. Traceability is important in view of bovine spongiform encephalopathy (BSE) and other food safety scares.

To address traceability the information of producers, packers, processors and transporters of regulated agricultural plant products was captured in a database administered by the Perishable Products Export Control Board, and will play an important role in future exports.

Several meetings were held with the red meat industry to discuss amendments to the Meat Safety Regulations. The most controversial issue was the one regarding the compulsory classification by an independent third party.

The inspection services of the directorate met with various stakeholders regarding the application of Act No. 36 of 1947 to create awareness on the sale and the use of products regulated by the act. Stakeholders included the South African Police Service, commercial ports of entry, the Forensic Laboratory, South African Revenue Service, the public and organised agriculture. A campaign was launched to create awareness among the public on the misuse of agricultural remedies or stock remedies such as aldicarb that are a danger to the public.

### Programmes and projects

South African exports of horticultural products, including fresh table grapes, oranges, deciduous fruit, subtropical fruit and vegetables to the European Union (EU) are worth  740 million annually.

The recent EU harmonisation of pesticide regulations presents a serious threat to agriculture as some 400 chemicals, some of them crucial for production, will be withdrawn from use on export crops. New maximum residue levels need to be established by conducting trials to generate data for EU acceptance. Following an agreement between the department and the EU Community, a South African pesticide initiative programme was launched with some EU funding. The Perishable Products Export Control Board was appointed as the implementing agency. The purpose of the project is to contribute to the safety of products from South Africa's horticultural sector by ensuring compliance with EU legislation, thereby ensuring continued access to the union's market. The programme will also develop alternative chemical phytosanitary treatments, adjust agricultural practices and build capacity, particularly among the emerging farming sector.

### Products and services

During the year under review the directorate participated in review meetings of the International Wine Office (OIV). The entire review process took eight years to complete. During this time South Africa was actively involved but has yet to accede formally to the agreement of 3 April 2001.

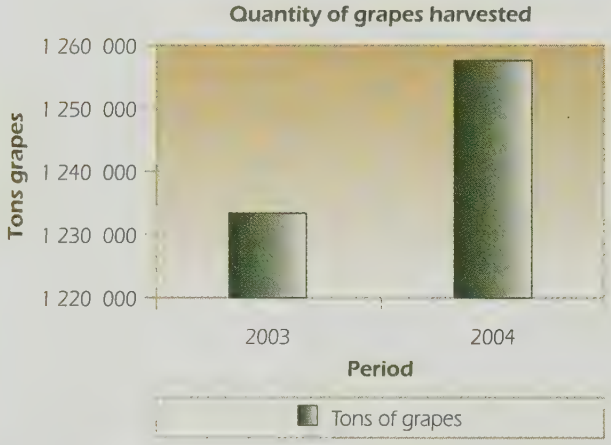
South Africa presented its formal objection against EU Community Regulation 753/2002 at the Technical Barriers to Trade meeting in Geneva in November 2003. South Africa had informal discussions with the EU in December 2003 and March 2004

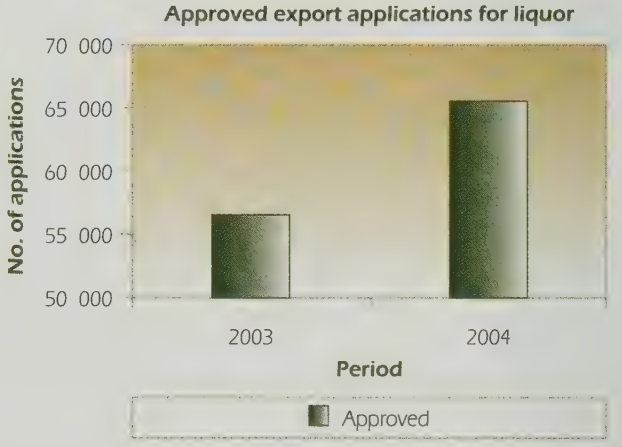
where the implications of Regulation 753/2002 were discussed. South Africa will continue to resist implementation of the regulation until such time that the amendments to the regulation address the concerns raised by South Africa.

An agreement between South Africa and the EU was reached on a pragmatic approach to the use of certain so-called traditional expressions such as ruby, tawny and vintage, based on the exchange of definitions and adherence to set criteria (e.g. proof of use for more than 10 years).

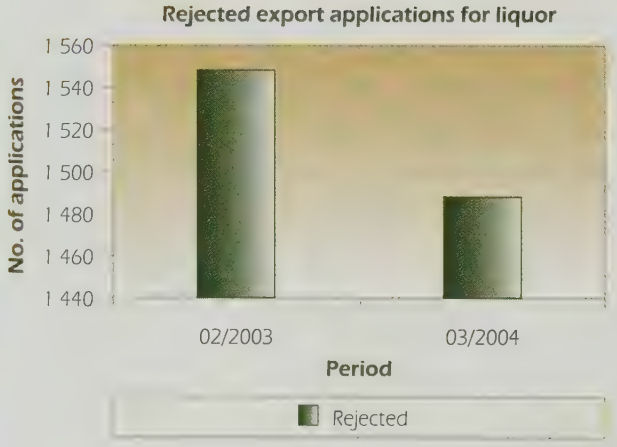
A total of 974 million ℓ of grapes were harvested, compared to the 956 million ℓ for the 2002/03 vintage. This means that the estimated wine production for 2003/2004 should show an increase of 18,2 gross million ℓ, compared to the 2002/03 vintage.

In the year under review the Division Liquor Products registered a total of 66 816 export certificates, of which 1 488 were rejected. A considerable increase in the number of export certificates and clearing documents (VI1) for wine entering the EU was experienced over this period.




| | Number of applications | | Number of ℓ | |
|---|---|---|---|---|
| | Approved | Rejected | Approved | Rejected |
| 2003 | 56 724 | 1 548 | 274 800 340 | 12 552 417 |
| 2004 | 65 328 | 1 488 | 319 944 060 | 21 574 579 |



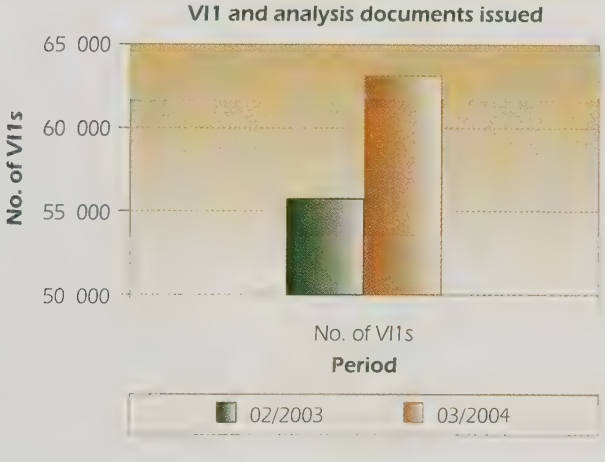
Although a considerable increase in the number of export applications was experienced compared to 2003, the number of rejected applications decreased significantly. This tendency can be attributed to personnel and export applicants working more accurately, resulting in less incomplete and rejected applications.

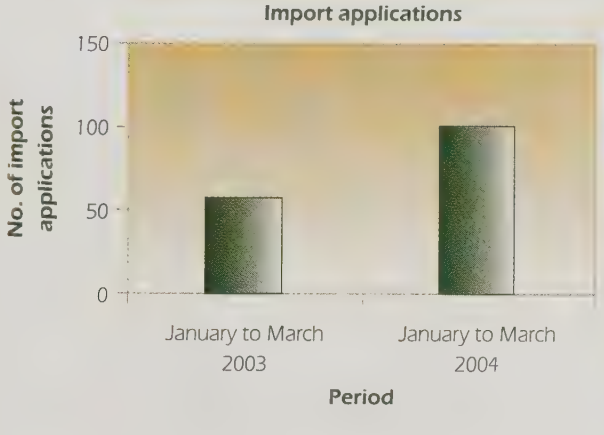
There was a marked increase in export applications, but also an increase in the total volume of wine rejected on sensorial evaluation, compared to the same period in the previous year. This can be attributed to the export of large volumes of wine from the previous harvest, which led to a higher incidence of oxidised and over-age wines.

The strengthening of the Rand had the effect that producers kept their wines in their cellars for longer, in the hope that the exchange rates might favour exports. This did not happen and wines then had to be exported regardless to make space for the new harvest. For the reporting period a total of 319 944 060 ℓ of wine were exported and 21 574 579 ℓ were rejected.

A total number of 62 996 VI1 clearing documents for wine and other analysis certificates were issued on request to clear consignments in the importing country, compared to 55 707 in the previous year. This is an increase of 11,6 %, compared to the same period for 2003.

Although the total number of import applications remained more or less the same as in the previous year, a major increase in the total number of import certificates was experienced in the last quarter of the year under review. The total number of import applications increased by 63 %, compared to the same period in 2003. This could again be contributed to the strengthening Rand, making it more profitable to import rather than export.




During the period under review, the groundnut industry requested the department to help draft a groundnut protocol for groundnut producers in the export market. This was done according to the EU food safety legislation that was to be implemented on 1 January 2004. The deadline was postponed to 1 January 2006. The aim of the groundnut protocol is to reduce the food safety risk and to minimise the number of consignments rejected by the importing country. At this stage the protocol has been drafted and will be forwarded to the EU for consideration.

The Codex Alimentarius Commission requested South Africa at a meeting in Mexico to draft regulations for yams. Consultations with yam-producing countries are continuing.

The dry beans export standards and requirements have been completed and the food safety aspects drafted into the document. It will be implemented in 2004 as soon as the food safety regulations have been implemented. The industry requested the department to remove reference to super grade on both the regulations and the standard and requirements because they could not meet the super-grade requirements. The amendment will be finalised in 2004.

During 2002 the Japanese Ministry of Health found that South African grapefruit exceeded the permissible concentration levels for Imazalil and placed heavy restrictions on its use for the 2003 season. All South African grapefruit intended for

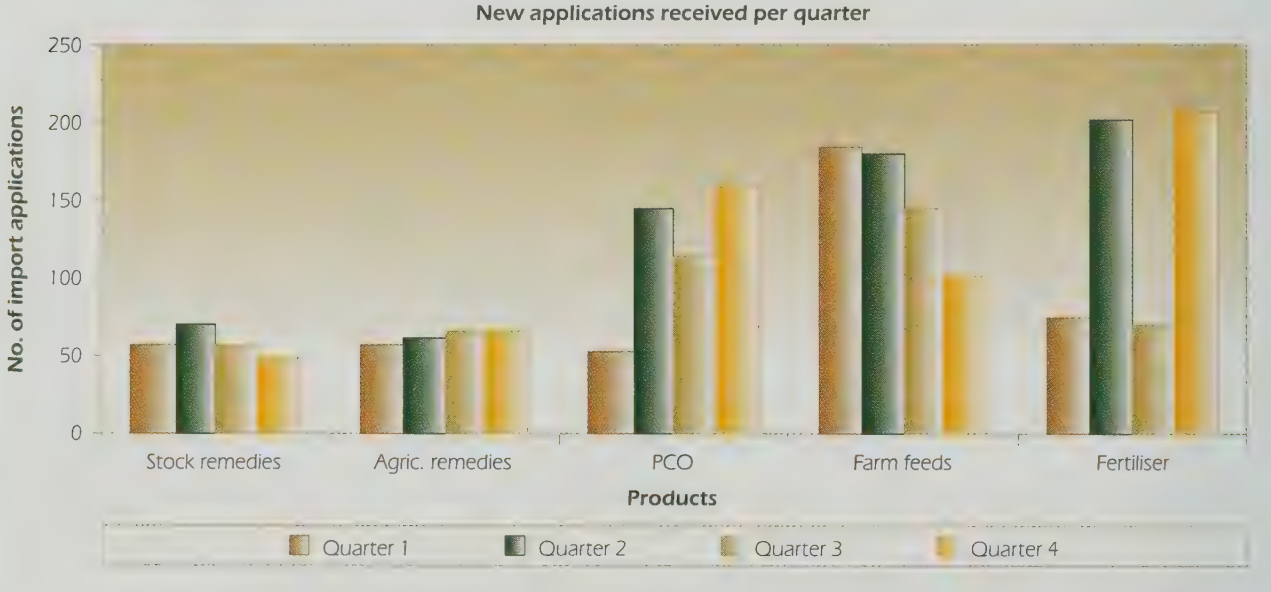
Japan had to be analysed prior to shipping to confirm that the fruit is in conformance. Imazalil is a post-harvest treatment used on citrus fruit to prevent fungal decay. The directorate, however, negotiated successfully with the Japanese authorities before the start of the 2003 season and the restrictions were limited to fruit from only two exporters. This intervention secured the export of 4,4 million cartons of grapefruit with a value of R 219 120 million to Japan during the year under review.

The directorate also successfully negotiated changes to the export standard for two apple cultivars, Pink Lady® and Sundowner®. The sizing requirements of Pink Lady® was dropped from 65 to 55 mm and the colour requirements for Sundowner® from 75% red colour to 20%. This translates into massive increases in the export volumes for these two cultivars to the EU that is still South Africa's principal market.

The Perishable Products Export Control Board was appointed as assignee for the inspection of dried fruit destined for export. The local regulations for canned fruit were published in the *Government Gazette* in October 2003. The standards and requirements regarding the export of canned vegetables were distributed for comments.

The directorate provided a meat inspection and certification service at some of the EU approved abattoirs. An agreement with abattoir owners is being drafted to protect departmental staff and to define roles and responsibilities between the abattoir owners and departmental staff.

The project-planning phase of the microbiological surveillance programme was finalised. This project aims to develop a baseline with regard to the microbiological profile of meat subjected to hygiene processes used at abattoirs. It also evaluates the effectiveness of these hygiene practices by examining the safety of the product.




Although a considerable effort was put into new registrations, other services were also offered during the year, including the improvement of advertisements, amendments of applications, issuing of free sale certificates and import permits, improvement of labels, mergers and attending to queries.

*A guide for the control of plant diseases* was published in June 2003 and *A guide to the use of herbicides* was finalised and is due for publication.

LAW ENFORCEMENT

A number of transgressions ranging from unregistered products, incorrectly labelled products, expired products and expired pest control operator registrations were reported. The trend in these transgressions increased considerably during the second and last quarter of the report period. Several companies were charged for selling unregistered products during 2003/04. In total 30 tons of unregistered fertiliser, 400 x 20 ℓ of MBF fertiliser, 6,5 tons of unregistered dog food and large quantities of aldicarb were also seized during 2003/04.

Transgressions remain a problem. Some are the result of ignorance but some are clear cases of criminality. Control of imports of agrochemicals is a challenge to the directorate's awareness programmes.

A total of 228 new stock remedy applications and 248 new agricultural remedies were received and approved during 2003/04. The number of finalised renewals increased considerably during July to September, which is to be expected as this is just after the final dates of submission (31 April for agricultural remedies and 30 June for stock remedies).

A total of 467 new applications for pest control operators were received. Of these, 201 were approved and 266 are still pending as they lack proper documentation. The challenge facing the registration of pest control operators is to identify approved courses in line with the requirements of the South African Qualifications Authority and the relevant Sector Education and Training Authority so that the entry of new entrepreneurs is not inhibited by arbitrary systems of approval.

A total of 608 new applications on farm feeds were received and 501 of these were approved.

A total of 555 new applications for registration of fertilisers were received and 143 of these were still awaiting documentation from applicants.

### Intergovernmental

Several meetings were held with among others the Departments of Environmental Affairs and Tourism, Health and Trade and Industry to discuss issues of common concern and integrated implementation relating to food safety.

Discussions with the Department of Environmental Affairs and Tourism centred on the African stockpiles programme. The overall objective of the programme is to eradicate health and environmental risks posed by the accumulation of obsolete pesticides.

The directorate also produced a draft position paper to phase out the use of ozone-depleting methyl bromide as required by the Rotterdam Convention. Methyl bromide should be phased out by 2010 in South Africa. This is a challenge posed by the International Plant Protection Convention as alternatives have not been identified yet.

### International

Officials from Botswana and Namibia visited the directorate to familiarise themselves with the South African system of registration of pesticides and other agrochemicals. Visits to the South African Bureau of Standards and industry were also arranged.

An official of the Sherry Producers' Association in Spain visited the directorate, to collect first-hand information on the phasing out of the use of the names Port and Sherry. It was pointed out that most of the producers would have phased these names out long before the deadline of 2012.

The review process of the International Wine Office (OIV) that started in 1996 in South Africa, took eight years to draw up the new constitution of the OIV. One of the major outcomes was that for the first time the OIV moved away from using one language for its proceedings and is now using five.

South Africa introduced the integrated production system for wine to the OIV. Member states have generally accepted this system of sustainable production of wine. An ad hoc traceability committee met for the first time to discuss the issue.

julian jaftha
senior manager

# genetic resources

The aim of this directorate is to regulate and provide an integrated national management system in support of sustainable use of genetic resources for food and agriculture.

The directorate is mandated by the Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976) and the Genetically Modified Organisms Act, 1997 (Act No. 15 of 1997). In terms of the Cartagena Protocol on Biosafety, the directorate is the national competent authority and is responsible for the biosafety clearing-house.

## OBJECTIVES

The objectives of the directorate are to regulate and promote the availability of high-quality plant propagating material, apply and ensure compliance to national legislation relating to genetic resources for food and agriculture and regulate and promote the genetic improvement of plants and animals for food and agriculture.

## ACHIEVEMENTS

### Policy

The plant breeders' rights policy will be finalised in the new financial year and will also take into account a national policy on intellectual property rights.

The directorate was involved in the development of the agricultural biotechnology strategy. Following cabinet approval of this strategy, it will be implemented in collaboration with the Directorate Scientific Research and Development.

### Legislation

The Cartagena Protocol on Biosafety came into force on 11 September 2003 after the 50th instrument of ratification was deposited with the Secretary-General of the UN. On 14 August 2003, South Africa deposited its instrument of ratification and on 12 November 2003, this became a legally binding instrument to South Africa. The protocol aims to ensure an adequate level of protection in the safe transfer, handling and use of living modified organisms, resulting from biotechnology which might have adverse effects on the conservation and sustainable use of biological diversity. It takes into account the risks to human health, and focuses specifically on transboundary movements. Under this international agreement, the directorate acts as the competent national authority that administers all the procedures required under the protocol. The protocol also provides for the establishment of a biosafety clearing-house, which is a network-based database, where the prescribed information of all transboundary movements of genetically modified organisms is stored.

During February 2004 the first meeting of the Cartagena Protocol on Biosafety took place in Kuala Lumpur. At this meeting a number of unresolved substantive issues were negotiated.

As a result of South Africa's accession to the Cartagena Protocol on Biosafety and taking into account the outcome of the first meeting of the parties to the protocol, domestic legislation of the Genetically Modified Organisms Act needs to be amended to comply with the provisions of the protocol. These amendments have already been included and a draft bill will be presented to the executive committee for approval and then published for public comment.

Regulation of genetically modified organisms is also provided for under the Biodiversity Act (Chapter 5: Species and organisms posing a potential threat to biological diversity). However, the Genetically Modified Organisms Act remains the primary legislation governing all activities on genetically modified organisms.

Once Parliament has approved the ratification of the international treaty on plant genetic resources for food and agriculture, the directorate will be the focal point of this international agreement. A cabinet memorandum together with an implementation plan has already been submitted for internal approval.

### Client and public interaction

The directorate continuously engages its clients and the general public to ensure an increased understanding of legislation and policies relating to genetic resources for food and agriculture. This not only facilitates compliance with the provisions of the legislation relevant to the directorate, but also contributes to an increased awareness of the importance of conservation and sustainable use of genetic resources for food and agriculture.

Information relating to permits relevant to the directorate was published on the website, while information brochures and exhibitions were used as additional means to inform the general public. During the period under review the directorate was involved in agricultural and cultural shows at the National Maize Producers' Organisation in the North West province, the Royal Agricultural Show in KwaZulu-Natal, the Coca-Cola Lowveld Show in Mpumalanga, the Mangaung Arts and Cultural Show in the Free State and the Food and Agriculture Organization's (FAO's) regional conference in Gauteng.

Commodity groups such as Potato SA and Grain SA are involved in the development or use genetic modified crops and the directorate is therefore involved in some of their strategic working groups in an advisory capacity.

Under the Genetically Modified Organisms Act any person may appeal against a decision taken by the executive committee. Two appeals were lodged with the Minister. In the one instance, the decision of the executive committee was upheld while the outcome of the second appeal is still pending.

To ensure compliance under the Cartagena Protocol, the amended administrative procedures were communicated to several clients through notifications and meetings with client administrators.

### Programmes and projects

The directorate is continuing its involvement to develop an identity preservation system of non-genetically modified foods in South Africa. The project is convened by Standards South Africa, a division within the South African Bureau of Standards. The technical committee under Standards South Africa, is responsible for the development of guidelines for the implementation of an implementation plan system in South Africa, the South African national standard, with representatives from the entire agricultural sector. Guidelines were formulated and are awaiting inputs from stakeholders.

### Products and services

As part of the mandatory functions of the directorate, 311 plant breeders' rights have been granted to various applicants. Under the Genetically Modified Organisms Act, permits have been issued for contained use of micro-organisms, vaccines for clinical trials, trial release of potato, cotton, maize, sugar cane and wheat, commodity clearance for maize and soya-bean, conditional, general release of maize, soya-bean and cotton. The directorate also issued a number of certificates which indicate the genetically modified organism status of export consignments. In terms of genetically modified commodities, maize has been the biggest export commodity while only 24 750 genetically modified cotton bales were exported during the reporting period. It should also be kept in mind that only genetically modified maize, cotton and soya-bean have general release clearance in South Africa.

Two workshops on genetically modified organisms were held. The first was a parliamentary workshop held in Cape Town. The purpose of this conference was to provide all stakeholders and interested parties the opportunity to discuss the potential risks related to the technology and the safest manner in which technology could be used to benefit South Africa and the continent at large. Some of the concerns raised related to patents associated with genetically modified seeds, labelling of genetically modified foods, public education, trade and risk assessments.

The second workshop was conducted in collaboration with the Department of Environmental Affairs and Tourism for members of the executive council, the advisory committee and subcommittees. This was an information-sharing session on the implications of the Cartagena Protocol.

The total number of landrace accessions stored at the National Gene Bank has increased from 3 271 in 2002/03 to 4 453 in 2003/04. This increase is the result of six collection trips, one in the Eastern Cape, two in KwaZulu-Natal, one in Mpumalanga and two in Limpopo. A total of 712 accessions were planted for multiplication and included accessions of common bean, maize, sorghum, watermelon, pumpkin and others.

The National Gene Bank was also involved in hosting a national workshop on sustainable utilisation of plant genetic resources for food and agriculture. Through this workshop activities required at the policy, institutional and farmer levels were identified to strengthen the conservation and use of plant genetic resources for food and agriculture.

### Intergovernmental

Officials from six different government departments are involved in the executive council of the Genetically Modified Organisms Act. These include the Departments of Agriculture, Health, Environmental Affairs and Tourism, Science and Technology, Trade and Industry and Labour. The executive council meets at least once every quarter and, in addition to its decision-making function, members of this body must ensure that all activities conducted with genetically modified organisms are not in conflict with legislation and policies relevant to their respective departments.

The Department of Environmental Affairs and Tourism is currently developing the national biodiversity strategy and action plan which will form the basis of the national biodiversity framework envisaged in chapter 3 of the Biodiversity Act. The directorate was involved in these discussions to ensure that the issues relating to the management of biological diversity, as it pertains to agriculture, are taken into account.

The directorate is also involved in the Committee for Environmental Co-ordination, which is an intergovernmental committee, established under the National Environmental Management Act.

### International

The directorate delivered a position paper on genetically modified organisms at the SADC consultation meeting. Most other SADC countries present were still developing biosafety regulatory frameworks and showed interest in using the South African legislation as a guide when compiling their domestic legislation.

The National Gene Bank is involved in an SADC collaborative effort of duplicate seed storage whereby duplicate samples were stored at the Plant Genetic Resources Centre. The gene bank has also been involved in the development of a common documentation system to be used by all gene banks in the SADC region.

The directorate was involved in developments in the technical working groups, the administrative, legal and consultative committee and council meetings of the International Union for the Protection of New Varieties of Plants. This is an international body which aims to provide standards for the designation of plant varieties and also mechanisms for the protection of plant breeders' rights.

# Plant health

**eben rademeyer**
acting senior manager

The purpose of the Directorate Plant Health is to reduce plant risk associated with plants, plant products and regulated articles.

Within the thrust of the departmental agricultural strategy, the directorate administers the Agricultural Pests Act, 1983 (Act No. 36 of 1983) in accordance with the principles of the World Trade Organisation (WTO) Agreement on the application of sanitary and phytosanitary measures, as well as the international standards of the International Plant Protection Convention (IPPC) and other recognised bodies.

## OBJECTIVES

The key objectives of the directorate are to develop national policy, measures and standards regarding the reduction and management of risks relating to quarantine and other regulated pests associated with plants, plant products and other regulated articles. This is in compliance with international principles and standards to support a globally competitive agricultural sector, sustainable development and national food security. The directorate is the contact point for the National Plant Protection Organisation of South Africa.

## ACHIEVEMENTS

The activities of the directorate support all the departmental objectives, strategies and programmes such as the Comprehensive Agriculture Support Programme (CASP) and the Integrated Food Security and Nutrition Programme (IFSNP)

Tomato curly stunt, *Begomo virus*

in terms of equitable access and participation, maintenance of the ability to meet domestic food needs, enhance globally competitive trade and profitability, increase food trade and enhance sustainable resources management, good governance, knowledge and innovation as well as international co-operation.

## Policy

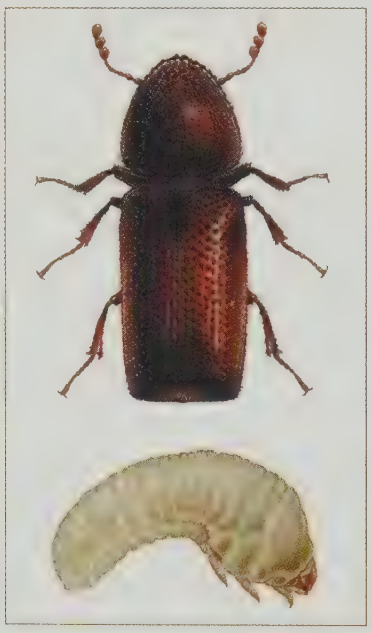
During the period under review Plant Health attended to various aspects with regard to legislation, early warning issues and other norms and standards. These are critically important to international trade and international obligations within the IPPC and WTO sanitary and phytosanitary agreement.

In administering the Agricultural Pests Act, 1983 (Act No. 36 of 1983), it is a high priority to constantly evaluate the act in accordance with international obligations. In the changing field of international trade, it is also very important to update legislation. The effect of other legislation should also be taken into consideration in the drafting process. In this respect, the Biodiversity Bill had to be considered as well as new obligations in terms of international organisations. A workshop was held which will support follow-up actions in the future.

The determining of potential phytosanitary risks, conducting of pest surveys, drafting of contingency plans and eradication procedures are essential components of an early warning system. In this programme, border posts with African countries have been monitored for the occurrence of larger grain borer, a serious pest of stored maize and a wood borer. Information in this regard showed that there is movement of the pest into South Africa, although the incidence is still very low.

A larger grain borer workshop was held in Nelspruit during which members of the co-ordinating committee exchanged information with other role-players, including representatives from Swaziland and Mozambique. Monitoring of the Cape Town harbour indicated that fruitfly species of a specific genus *Bactrocera*, are not present in the area yet. These monitoring actions are to continue as a risk management procedure to ensure continued global competitiveness in agriculture.

A task team was established to address the issues of early warning systems. Arising from that, a workshop was held and an early warning system for specific pests will be developed at ports of entry. The Pest Risk Analysis Division will determine the priority of the exotic pests; all relevant organisations will take ownership with regard to information dissemination on pest occurrences and data will be co-ordinated and centralised at the Directorate Plant Health; data management will be discussed with the ARC and the Directorate Plant Health will make interception data available to all relevant role-players.



Larger grain borer
*Prostephanus truncatus*

The establishment and maintenance of international protocols and export work programmes is vital to ensure that South Africa maintains and expands its global market share. Market access issues therefore remain a priority. Supporting all exports, implementation of procedures continued to ensure that South Africa is able to comply with the IPPC's international standard for phytosanitary measures for regulating the treatment of wood-packaging material in international trade. News releases and a notice in the *Government Gazette* were published and service providers are being registered as users of the approved treatment mark. The IPPC and trading partners are to be advised accordingly.

As signatory of the IPPC, the international standards for phytosanitary measures have to be followed with pest risk analysis to ensure free trade in plants and plant products and the implementation of scientifically justified requirements. During the period under review 598 new requirements were drafted, thereby enhancing global competitiveness in trading of plants and plant products and achieving service excellence. Import requirements for 5 314 applications for import permits were already available.

Technical and scientific information regarding pests on specific agricultural commodities were provided for bilateral engagements with various countries.

### Client and public interaction

During the report period, the critical regulatory needs of the agricultural community in South Africa were addressed, thereby ensuring global market access in terms of new markets as well as maintenance of current export avenues.

South Africa's international plant health obligations require ongoing liaison with the IPPC's secretariat and counterparts National Plant Protection Organisations (NPPOs). This ensures that the objectives enhance global free trade in plants and plant products, and that South Africa adheres to the internationally accepted principle of preventing implementation of unjustified phytosanitary barriers.

In this respect, two working sessions involving industry role-players were held to discuss and collate country comments on draft international standards for phytosanitary measures. The directorate also participated in the 5th meeting of the Interim Commission on Phytosanitary Measures in Rome in April 2003. To enhance intergovernmental relations and co-ordination among regional governments, bilateral plant health meetings were held with NPPO counterparts from Swaziland, Mozambique and Zimbabwe regarding phytosanitary issues of mutual concern.

The directorate participated in three rounds of the Southern African Customs Union (SACU)-USA Free Trade Agreement negotiations and the required preparatory meetings for talks on Free Trade Areas with the USA, MERCOSUR and the European Free Trade Area. The directorate also participated in the fourth round of SACU-MERCOSUR Free Trade Area negotiations in Montevideo, Uruguay, the third South African-Russian Federation Joint Intergovernmental Committee on Trade and Economic Co-operation in Moscow and the Cuba-South Africa joint bilateral commission in Pretoria. Discussions were held with a visiting delegation from the People's Republic of China and a meeting with the Governor of Kogi State, Nigeria as well as a bilateral South Africa-Japan meeting in Pretoria.

Technical information was provided for bilateral engagements with 12 countries, namely Algeria, Angola, Brazil, China, Egypt, India, Japan, Lesotho, Morocco, the Netherlands and Russia, and to Deputy President Zuma in preparation for the department's participation in the South Africa-Nigeria Binational Commission in Nigeria.

Inputs were made on three bilateral memoranda of understanding, namely on sanitary and phytosanitary co-operation between South Africa and the Republic of Cuba, between South Africa and the Russian Federation and between the South African Department of Agriculture and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China.

Special presentations on the regulations governing the import of agricultural products were presented to the South African National Defence Force members joining the UN peace corps in the Democratic Republic of the Congo and Burundi. The audience was presented with relevant information material and given the opportunity to apply for import permits.

Plant health exhibitions were successfully held at the Gardenex and Growtech Show, National Maize Producers' Organisation and the Royal Agricultural Show. Plant health information was presented to provincial extension personnel during a training workshop in KwaZulu-Natal.

### Products and services

Probably the most significant market access achievement was that the USA approved the Hartswater and Warrenton magisterial districts as being free of citrus black spot. Citrus black spot severely limits exports to countries where it does not

occur. In the past, only part of the Western Cape was officially accepted as citrus black spot-free. Now fruit from Hartswater and Warrenton in the Northern Cape is also allowed to enter the USA. This is the culmination of a negotiation process started some five years ago. The USA's decision is based on stringent evaluation of a scientific survey report as well as the production area itself. The relevant workplan was updated and a co-ordination meeting held with industry, after which exports immediately proceeded.

In respect of fruit exports to the USA, the 'running average' system implemented by the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service to reduce pest interceptions on South African fruit was instituted for citrus and pome fruit exports, with most figures remaining below the first year cut-off of 25%. Negotiations with the USDA were successfully concluded regarding the industry decision to forgo preclearance of table grapes, except for organic produce, and adopt mandatory fumigation procedures on entry to the USA. A protocol to manage this was agreed with the USDA authorities. This means that nonprecleared grapes are now fumigated in the USA, and do not contribute to the 'running average' system implemented by USDA Animal and Plant Health Inspection Service to reduce pest interceptions on South African fruit.

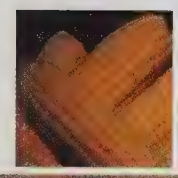
Furthermore, the USA authorities eventually accepted the South African molecular technique for identifying mealybugs on citrus. This will greatly reduce the number of interceptions for the presence of immature pests that cannot be identified by means of their physical features, thereby facilitating exports of fresh citrus fruit to the USA. It is expected that South Korea will follow suit, having sent a technical expert to observe the application of the method in South Africa during the report period. The amaryllis flower bulb preclearance export programme to the USA was expanded to include eucomis and ranunculus bulbs. Preclearance bulb inspections for the USA were successfully completed and the USDA approved the request for airfreight of bulbs.

Also in respect of expanded market access, several pest lists for citrus and table grapes, were completed in liaison with scientists of research institutes and the respective industries. Before any pest list is officially provided to the national plant protection authority of potential importing countries, the list is evaluated by the relevant technical specialists to ensure correctness. The plant health authorities of the People's Republic of China were provided with a preliminary pest information package to facilitate South Africa's request for market access for apples and pears. They were again provided with copies of South Africa's pest information packages on citrus, grapes and stone fruit to facilitate South Africa's request for market access.

Technical information on persimmon production in South Africa was received from industry for evaluation, prior to presenting to target import countries with a request for market access. The industry climate matching study in support of the South African application to the EU to revise its quarantine status for citrus black spot was also received, evaluated and provided to the EU in support of South Africa's pest risk analysis. This contends that the causal pathogen will not establish in the winter rainfall citrus production areas of the EU.

In respect of expanded market access, the draft export work programme for citrus to Thailand was discussed with relevant industry, research and departmental role-players, and co-ordinated inputs were finalised for communication with the Thai authorities. Slow feedback from the plant health authorities in Japan is being experienced in respect of pest risk analysis and approval of mitigation measures for persimmon, Barlinka grapes and clementines. South Africa has submitted comprehensive data as requested. The Israeli authorities approved continued export of South African table grapes from the Hex River Valley based on trials in 2002 and were requested to approve the addition of the Berg River Valley for the export of table grapes, based on the success of exports from the Hex River Valley.

Co-ordination and communication continued in respect of hosting preclearance inspectors from the USA (inspectors required for fruit and bulbs), Japan, Mexico, Israel, Taiwan (apples), and Korea who import South African fruit. Registration and approval of production units and packing houses for participation in export programmes to markets with special phytosanitary requirements were dealt with as the first step in ensuring compliance with importing country requirements. For citrus fruit exports this entailed 2 061 registrations, comprising 1 881 registered production units and 180 packhouses, and for deciduous fruit, 1 344 registrations made up of 1 001 registered production units and 343 packhouses. South African inspectors continued to visit Mozambique and Japan to deal with plant health requirements in respect of citrus exports from South Africa.

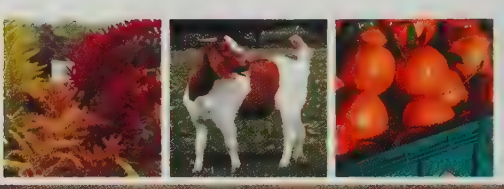


In terms of departmental initiatives to enhance stakeholder dialogue, discussions with role-players regarding market access policy issues and technical matters concerning South African plants and plant products were held every two months in the fresh fruit and vegetable working group forum. Regular meetings of the working groups regarding seed and ornamental plants were also held. Furthermore, annual export co-ordination meetings were held for citrus and deciduous fruit exports.

Communications with a range of African and other countries continued in respect of import end export conditions for plants and plant products. Discussions on the issue of Lesotho and the development of the International Moshoeshoe 1 Airport as a cargo facility for imports and exports for Lesotho as well as for South Africa, continued. The draft bilateral agreement on co-operation in plant health matters was extended to include co-operation regarding animal health. Import conditions to allow South African maize grain for human consumption were negotiated with the NPPO of Zambia.

During the report period, various aspects with regard to pest risk analysis issues have been attended to as these are critically important to international trade and international obligations within the IPPC and the WTO-sanitary and phytosanitary agreement. Attending to these issues ensures continued involvement of the South African agricultural community in future global trade.

A pest risk analysis training course for Sub-Saharan Africa was presented by the USDA and scientists of the pest risk analysis division attended. This resulted in enhancing of global competitiveness and achievement of service excellence in the field of pest risk analyses for the issuing of permits. It also contributed to the enhancement of institutional capacity and information systems.



Finalisation and approval of the promotion strategy drafted for the Directorate Plant Health was completed. This advocates customer service evaluation and proposes the use of several different public relations techniques. Such surveys should be done regularly and the results used to improve service delivery. A new updated plant health leaflet was also developed during January 2004 according to the new departmental structure.

Johannesburg International Airport import control awareness was enhanced by new permanent rollermax stands in the International Arrivals halls in February 2004. The division actively participated in the FAO's agricultural regional conference in March 2004.

The development and facilitation of education and awareness programmes for clients is vital to protect South Africa's agricultural industry and food security. A website for the South African National Plant Protection Organisation was developed. The purpose of the website is to provide updated phytosanitary information regarding national plant protection authority, import and export control activities and phytosanitary measures and procedures to clients, stakeholders, trading partners and international organisations. This is also in compliance with international obligations as signatory member of both the WTO-sanitary and phytosanitary and IPPC.

johann van wyk
senior manager

# animal health

The aim of the Directorate Animal Health is to reduce animal and animal products sanitary risk.

The directorate operates under the Animal Diseases Act, 1984 (Act No. 35 of 1984) and its regulations and the Meat Safety Act, 2000 (Act No. 40 of 2000) and applicable regulations.

## OBJECTIVES

The key objectives of the directorate are to develop and promulgate policy, norms, standards and legislation for the prevention and control of animal diseases and promote animal health, reduce sanitary risks in the import and export of animals and animal products and establish and maintain a veterinary epidemiology unit. Furthermore, it ensures compliance with international animal health obligations and responsibilities, audits the enforcement policy and renders management support services.

## ACHIEVEMENTS

### Policy

DIPPING POLICY

The existing dipping policy is under review.

POLICY ON CATEGORISATION OF ANIMAL DISEASES

After the departmental executive committee (DEXCO) and the science and technology committee approved the draft policy, approval was obtained for consultations with role-players. The document was distributed to the provinces and several comments were received. These mainly represented augmentations on the contents of the actual policy or any of the resulting guidelines for defining controlled animal diseases versus those that should be prioritised for primary animal health care. The draft document formulates a clear policy regarding the categorisation of animal diseases for disease control purposes. The recommended policy uses the International Animal Health Organisation's classification of diseases as a

guideline and develops locally applicable criteria for classifying diseases as a priority for subsidised primary animal health programmes and for inclusion in the list of legally controlled animal diseases.

POLICY ON BOVINE BRUCELLOSIS

A draft policy recommended the adding of details about brucellosis vaccines and to discuss these with the Onderstepoort Biological Products section to address their concerns. A progress report indicated that the two vaccines mentioned in the draft policy are the only ones of international acclaim.

The draft policy outlines the suggested framework for a revised bovine brucellosis scheme in South Africa based on an evaluation of the current situation and accepted principles of animal disease control. The proposed new brucellosis control scheme rests on the principles of increasing the overall immunity of the national herd, applying testing based on epidemiological principles and using incentives and compensation as appropriate ways of combating the disease. Once the disease has been brought under control, a more ambitious eradication programme can be considered.

POLICY ON SNOTSIEKTE

A draft policy suggests the way forward with regard to the control of wildebeest-associated bovine malignant catarrhal fever, commonly known as snotsiekte in South Africa. Based on the characteristics of the disease, an evaluation of the current situation and accepted principles of animal disease control is included. The compromise of declaring bovine malignant catarrhal fever as a notifiable disease without any specific control measures is the recommended policy option that would facilitate accurate data collection about the true incidence and distribution of the disease in South Africa at minimal extra cost. Any further control measures should be delayed until more data is available.

BOVINE SPONGIFORM ENCEPHALOPATHY RISK MANAGEMENT STRATEGY

The bovine spongiform encephalopathy (BSE) risk management strategy is continuously being adapted and refined. The 5th draft was adapted in line with recent developments locally and internationally, and therefore serves as the most recent working document.

## Legislation

The following proposed amendments to the Animal Diseases Regulations were resubmitted in December 2002 and followed up repeatedly. Response is still awaited.

- Declaration of snotsiekte as a notifiable disease, as agreed with all role-players
- Correction to the area declared as corridor disease controlled area in KwaZulu-Natal
- Listing of highly pathogenic avian influenza, avian influenza and *Salmonella pullorum* and *Salmonella gallinarum* as controlled animal diseases
- Removal of Camperdown from the table outlining the foot-and-mouth disease controlled areas.

ANIMAL HEALTH AMENDMENT BILL

The proposed inclusion of a definition of 'Essential National Standards', according to which the provinces will be monitored, into the new Animal Health Act and other minor amendments to the Act to be handled simultaneously, will have to be postponed. Liaison with Legal Services revealed that the required Amendment Bill could be tabled in Parliament at the earliest in 2005, because of the elections in 2004. However, communication with Legal Services and the provincial role-players is continuing to identify and refine additional items.

PROCLAMATION OF THE ANIMAL HEALTH ACT

Owing to the unavoidable delays in tabling an Animal Health Amendment Bill, it was considered, in the meantime, to proclaim the Animal Health Act, 2002 (Act No. 7 of 2002), without amendments. Further consultation with Legal Services

advised that this is not possible without the completed Regulations. Finalisation of the Regulations is therefore being given priority to allow for proclamation of the new act without amendments during 2004, with the amendments being tabled in Parliament at a later stage.

REGULATIONS FOR THE NEW ANIMAL HEALTH ACT

Considerable progress has been made with the main outstanding issue, namely the table of controlled animal diseases. This can only be finalised once the envisaged policy regarding the categorisation of diseases is in place.

Another issue for finalisation is the wording of the BSE feed ban that is being discussed with the Registrar of Act No. 36 of 1947. Additional detailed protocols on some diseases will then be entered into legislation as 'Essential National Standards' at a later stage, pending the introduction of the definition as an amendment to the Animal Health Act.

The submission to Legal Services regarding the appointment of the National Executive Officer in terms of the Animal Health Act, 2003 (Act No. 7 of 2002), remains on hold and will be resubmitted as soon as the act is proclaimed to avoid any gap in service delivery.

## Client and public interaction

New BSE pamphlets were distributed to the public, also to all veterinarians in South Africa through the South African Veterinary Council newsletter. More information on BSE in general and all relevant forms has also been made available on the departmental website.

A reminder to all private veterinarians about their participation in the BSE surveillance efforts was again published in the review of the livestock health and production group of the South African Veterinary Association.

*Low pathogenic avian influenza* – Updates on the situation in the country were issued by the work group of the Southern African Poultry Association and the poultry group of the South African Veterinary Association, with notification of a further outbreak of the disease in a broiler operation in the Western Cape and another outbreak in broilers in the Mpumalanga Province.

Attendance of meetings of the Veterinary Clinical Committee of the Medicines Control Council was used to advise on the registration of animal health products to safeguard principles of animal disease control.

Meetings with representatives of the pharmaceutical industry were held on registration matters, with special emphasis on the requirements from an animal disease control point of view.

*Equine influenza* – Follow-up meetings were held between members of the horse industry, Medicines Control Council, the Directorate Animal Health and the pharmaceutical industry to ensure that the required number of doses of vaccine was available to combat the spread of the disease.

Participation in the South African National Parks (SANParks) ecosystem objectives meetings and a SANParks elephant management meeting were used to make inputs that safeguard principles of disease control.

A meeting with Onderstepoort Biological Products and Intervet South Africa was used to discuss the requirements for the supply of tuberculin. The requirements for the registration of tuberculin were communicated to the Registrar of Act No. 36 of 1947.

Liaison with Intervet South Africa and the Registrar of Livestock Improvement served to explore the feasibility of various vaccine trials.

A workshop on Johne's disease or paratuberculosis, presented by Virbac and attended by various representatives of industry, as well as officials from the provinces, focused on the possible use of an inactivated vaccine as an aid in the control of the disease in infected herds.

Advice on avian influenza was supplied to the Import-Export Policy Control Unit, the Department of Health and the Institute for Communicable Diseases on measures implemented by the department to safeguard against the introduction of the disease.

Communication with all provincial directors and the Lesotho Veterinary Services served to supply information on avian influenza and updates on low pathogenic avian influenza as issued by the avian influenza workgroup of the Southern African Poultry Association/South African Veterinary Association, were distributed.

At the Avi-Africa Congress of the Southern African Poultry Association the directorate participated in the avian influenza panel discussion.

Ongoing participation in the South African National Parks risk management meetings is used for inputs that safeguard principles of disease control, especially with regard to Transfrontier Park issues.

Presentation at a Wildlife Disease Association Conference disseminated information on disease control in wild animals.

Ongoing assistance is being rendered regarding a trial in cattle with an inactivated foot-and-mouth disease vaccine in co-operation with the Veterinary Services division in Mpumalanga to ensure that the foot-and-mouth disease status of the country is not compromised.

Ongoing liaison with the wildlife industry served to highlight the risks of movement of buffaloes and other species with regard to animal disease control. There is increasing acceptance of the principle of self-regulation, in addition to government regulatory control, within the wildlife industry.

Input was given to the Horse Import Export Council regarding disease control principles for the import and export of horses and African horsesickness control measures.

Further inputs were made to the Directorate Food Safety and Quality Assurance on the food safety strategy, as well as issues of animal feed traceability and testing from an animal disease control point of view.

Replies to a steady stream of letters and comments regarding border fences from provinces and agricultural organisations are used to clarify misconceptions and reassure the public as to the general functionality of animal disease control in international border areas.

Advice continued to the provincial veterinary services, farmers and the agricultural industry with regard to the handling of controlled and non-controlled animal diseases, such as Johne's disease, rabies, dourine, bovine malignant catarrhal fever (BMCF/snotsiekte), corridor disease, African swine fever, equine influenza, African horsesickness and other orbiviruses.

Advice was given regarding the movement of buffalo, registration of properties for the purpose of keeping buffalo and handling of diseases in buffalo. Furthermore, ongoing advice is being provided regarding the brucellosis and tuberculosis schemes, auditing of provincially organised brucellosis and tuberculosis control training courses, as well as compensation under the Animal Diseases Act.

A visit to the Northern Cape Province was used to make specific inputs to its veterinary services with regard to border control, bovine tuberculosis control and the management of diseases associated with the movement of buffalo.

Input was made at the level of the Intergovernmental Technical Committee for Agriculture (ITCA) veterinary working group with regard to animal disease control and surveillance matters.

## Programmes and projects

GENERAL DISEASE CONTROL

Animal disease information from around the world is being scanned on a continuous basis and regular updates and summaries are provided on important issues and emerging diseases, for example, on avian influenza and transmissible spongiform encephalopathies.

AFRICAN SWINE FEVER

Ongoing consultations with the pig industry provide advice and assistance with regard to standards that might be used to define African swine fever-free establishments or compartments. This is part of a general quality assurance and health scheme, implemented by the industry with the view to tighten government-imposed African swine fever control measures, influence future amendments of the international animal health code and promote possible future exports of pork.

AVIAN INFLUENZA

Advice was supplied to the Import-Export Policy Control Unit on the feasibility of the importation of various products and live poultry from countries that are experiencing outbreaks of avian influenza, including the Far East, Canada, the USA and Europe. Input was made at the ITCA veterinary working group, together with Dr Roger Horner of the Allerton Veterinary Laboratory in Pietermaritzburg to obtain a mandate to draft a contingency plan for South Africa in the event of an outbreak of highly pathogenic avian influenza. The contingency plan is in the final draft stages, and will be circulated to the provinces and to the industry for comment.

Close co-operation with the Artificial Insemination (AI) workgroup of the Southern African Poultry Association and the South African Veterinary Association is used to monitor the occurrence of low pathogenic avian influenza in South Africa. An update was compiled and forwarded to all provincial veterinary services.

Assistance was provided to the Subdirectorate Import/Export Control during visits of foreign delegations in the form of presentations and discussions regarding animal disease control in South Africa that are intended to promote international trade. Assistance was given with the report issued after the visit of the EU delegation in November 2003.

The drought relief strategy was finalised and the funds made available for dipping infrastructure in five provinces, were distributed. Altogether R5 million was allocated to enhance dipping services in the provincial rural communitiies, used to repair dipping tanks and to purchase dipping compounds.

Ongoing advice is being supplied to the Registrar of Act No. 36 of 1947, on the feasibility of the registration of poultry vaccines and poultry products and other products, for the prevention and control of controlled and non-controlled diseases. Pertinent issues under investigation are the requirements for the registration of African horsesickness vaccines, equine influenza vaccines, rabies vaccines, a new Johne's disease vaccine for sheep and goats as well as for products for the treatment of sheep-scab mites.

In the course of the investigations of a case of illegal importation of tuberculin, certain deficiencies were detected regarding the registration of such biological products for diagnostic purposes. The implications were discussed with all role-players including representatives for the Registrar of Act No. 36 of 1947. Minimum requirements for the registration of tuberculin for animal disease diagnostic purposes in South Africa were determined and communicated to the Registrar. Until the registered tuberculin becomes available again, the importation of limited quantities of a nonregistered product is required to allow for disease control efforts to continue. Special minimum requirements for the temporary registration of such a limited quantity of nonregistered products were communicated to the Registrar, including its restriction for use by veterinarians only. All provincial veterinary services were notified of these emergency interim arrangements with detailed explanations as to the use of the product.

Inputs to the Registrar of Act No. 36 were supplied regarding the envisaged new Regulations for the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947). In addition, assistance is provided during negotiations with the Animal Feeds Manufacturers' Association and other members of the animal feeds industry, as well as the poultry and feedlot industries. Inputs are given on disease control issues, with particular emphasis on the risk management of transmissible spongiform encephalopathies and BSE.

Inputs were given to the directorate of Food Safety and Quality Assurance regarding the Regulations to be promulgated under the Meat Safety Act, 2000 (Act No. 40 of 2000), to allow for proper co-ordination with the animal disease control principles as laid out in the Animal Diseases Act, 1984 (Act No. 35 of 1984), as well as the new Animal Health Act, 2002 (Act No. 7 of 2002).

Liaison with the horse industry and scientists revealed the urgent need for an in-depth discussion with the major role-players and stakeholders on equine- health-related matters, especially with regard to African horsesickness and equine influenza. Further discussions took place with the Faculty of Veterinary Science and the Onderstepoort Veterinary Institute (OVI) regarding the testing and vaccine for African horsesickness.

The outbreak of equine influenza that was diagnosed in the Western Cape in December 2003 has been dealt with most efficiently. The virus circulating in South Africa was closely related to an American lineage H3N8 virus isolated in America during 2002 and in the United Kingdom in 2003. Although equine influenza is not a government-controlled animal disease, the department, in conjunction with the provincial state veterinary authorities, actively assisted the horse industry in controlling the outbreak of this disease. The initial spread of the outbreak was limited to the Eastern Cape and Gauteng as a result of the movement of horses before the disease was diagnosed. Movement controls and immediate vaccination of horses in the high-risk areas were extremely successful in delaying the spread of the disease until enough vaccine could be made available for immunisation of all susceptible animals in the country. This limited the economic impact on the racing industry to an absolute minimum. There was only one fatality in a horse that developed gastrointestinal disease while suffering from equine influenza at the same time.

AFRICAN HORSESICKNESS

Towards the end of February, an outbreak of African horsesickness was discovered in the surveillance zone of the controlled area of the Western Cape. Four horses died on the Elsenburg Agricultural Research Farm of the Department of Agriculture of the Western Cape in the Stellenbosch district, between 21 and 24 February 2004. Within a week two other horses in the vicinity also died. Another horse had died on the Elsenburg farm with a tentative diagnosis of atypical annual rye grass toxicity.

The macroscopic pathological lesions observed on the affected horses that died after 21 February 2004, were typical for African horsesickness. Samples obtained from all the diseased horses were submitted to the Exotic Diseases Division of the OVI. They were confirmed positive for the illness, using the ELISA test. The African horsesickness virus was isolated and the isolated virus was typed as Serotype 1.

All the cases were in local horses that had been kept permanently in the surveillance zone for African horsesickness and had therefore not received the annual vaccinations that are compulsory in these infected areas. The surveillance zone acts as an early warning system in and around Cape Town. Horses are therefore normally not vaccinated against the disease, in accordance with the export protocol negotiated with the EU Commission.

The disease continued to show limited spread in the surveillance zone and until the end of March 2004, a total of 17 horses had died and a further 15 showed clinical disease symptoms. Samples were taken of all these cases to allow for confirmation of the African horsesickness diagnosis by laboratory testing.

To safeguard the status of the African horsesickness-free zone, all movements of horses into the controlled areas of the Western Cape are under strict permit control. Despite extensive efforts, no illegal movements of horses into the outbreak area of the surveillance zone could be detected. At this stage, the most likely scenario is that the disease may have been introduced during the legal movement of a healthy horse that carried the disease but did not show any symptoms.

As soon as the outbreak was detected, highly effective disease control measures were instituted by the Western Cape Veterinary Services in consultation with the national directorate. All horses on the affected and neighbouring farms were stabled overnight while the Culicoides midges are active, and were treated with insecticides twice daily. Officials of the Directorate Veterinary Services, in conjunction with private veterinary practitioners, started to vaccinate all horses within a radius of 20 km surrounding the outbreak. No horses were allowed to be moved into or out of the affected areas, while owners of horses bordering the area at risk were advised to restrict unnecessary movement of their animals out of the area.

All provinces were notified of the additional control measures for the movement of horses to the Western Cape. News releases served to keep the public informed. The excellent co-operation between the industry and veterinary services allowed for the effective enforcement of the control measures.

The control measures served to limit the spread of the disease and no substantial spread of the disease is detectable towards the African horsesickness-free zone. With the advent of the cold season, the midges responsible for transmitting the virus should die and the outbreak will come to its natural end.

As a result of the outbreak, the export of horses from the free zone in the Western Cape was stopped temporarily. Once the outbreak has come to an end, negotiations will start with the EU and other importing countries regarding internationally acceptable requirements for the resumption of trade.

## Products and services

REGISTRATIONS

A number of buffalo farms are continually registered each month. The application forms and computer programs were adapted to make provision for information about animal numbers and geographic location of farms that are being collected, also through the buffalo census.

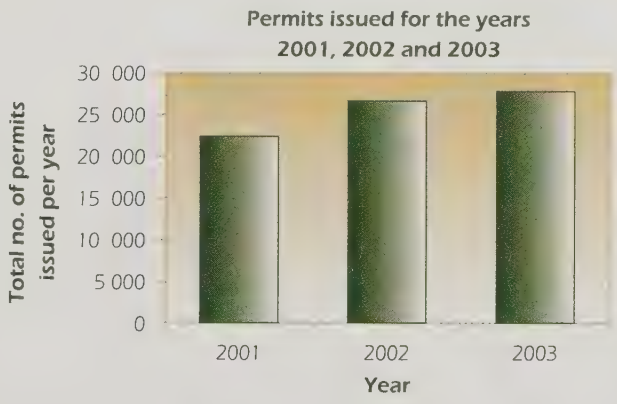
IMPORTS AND EXPORTS

| Approval/reregistration of establishments for export | 2001 | 2002 | 2003 |
|---|---|---|---|
| Meat plants registered for export | – | – | 17 |
| Abattoirs approved as sources of hides and skins for export | – | – | 47 |
| Apiaries for export of honey to the EU | – | 1 | 1 |
| Dairy plants for export | – | 3 | 19 |
| Hatcheries approved to export day-old chicks | – | – | 4 |
| Farms approved to export ostrich eggs and chicks | – | – | 2 |
| Pet food plants registered for export | – | – | 3 |
| Animal feed plants registered for export | – | – | 2 |
| Quarantine of reptiles | – | 1 | 1 |
| Quarantine of horses for export | – | 1 | 2 |
| Quarantine of dogs for export | – | 2 | 3 |
| Quarantine for game animals | – | 2 | 3 |
| Vector protected quarantine for export of sheep and goats | – | – | 1 |
| Scouring plants approved to process wool and mohair for export | – | – | 3 |
| Tanneries approved to process hides and skins for export | – | – | 14 |
| Taxidermies approved to process hunting trophies for export | – | - | 51 |

The increase in the number of approved establishments for export shows a tendency towards increased market access.

South Africa banned the imports of beef and beef products from Canada and the USA because of the outbreak of BSE or mad cow disease. This ban excludes commodities that do not carry a risk of transmitting the virus according to the guidelines of the Office International des Epizooties.

Turkey would not accept South African hides and skins if they were not treated to inactivate the foot-and-mouth disease virus. After lengthy negotiations via the South African Embassy in Ankara, an agreement was reached to take the skins to an area in Turkey where there were no susceptible animals, for immediate processing. A new health certificate was also agreed on to avoid further complications.

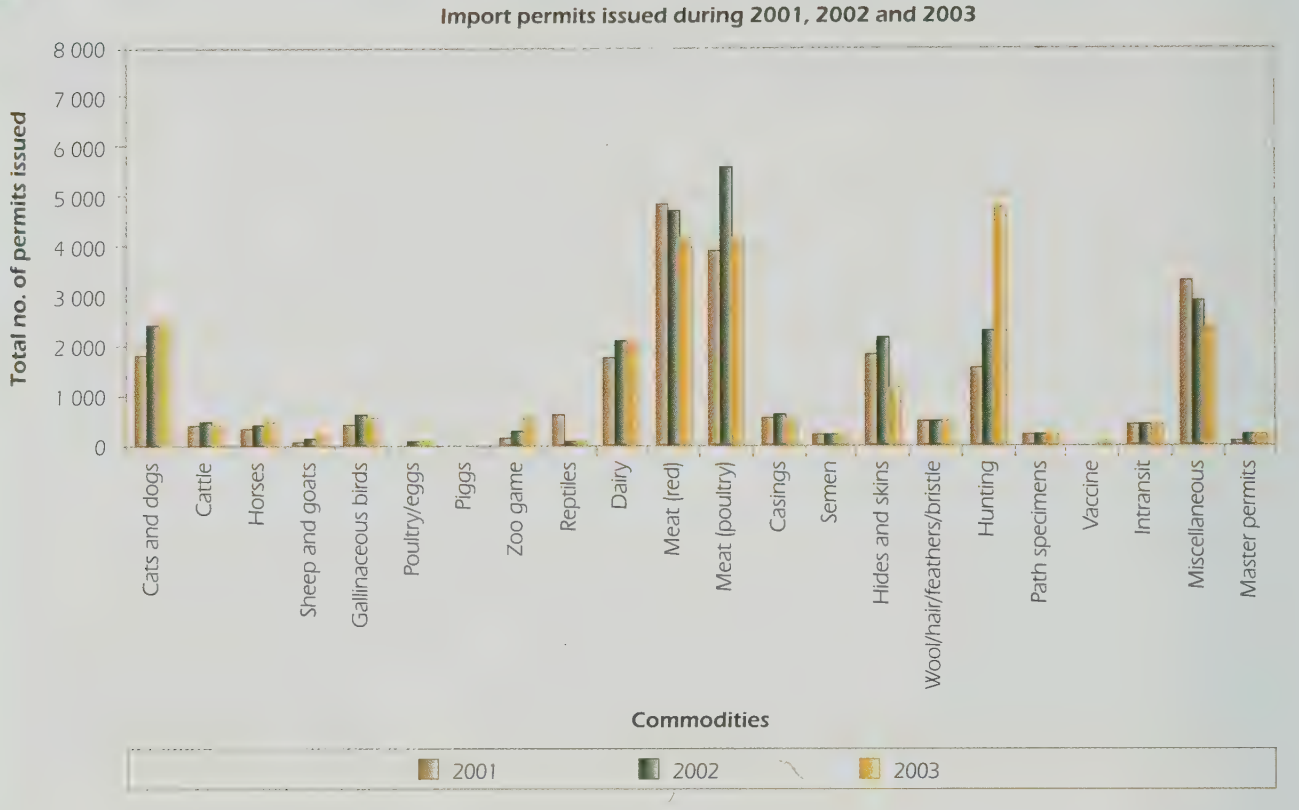



The directorate managed to save animal and human lives by preventing the importation of low-quality meat. A total of 80 containers with meat were condemned as some containers were contaminated with *Salmonella* spp. and in some containers the meat did not comply to the necessary hygiene standards.

LABORATORY SERVICES

Liaison with the ARC-OVI is used on an ongoing basis to clarify and amend issues of concern with regard to a long-term sustainable and high-quality diagnostic service for animal diseases. Specific negotiations were conducted with the foot-and-mouth disease, theileriosis, trypanosomiasis, Newcastle disease and the BSE laboratories.

Consultations are continuing with the foot-and-mouth disease laboratory at the Exotic Diseases Division of the OVI to ensure continued high-quality diagnostic results.




KRUGER NATIONAL PARK STATE VETERINARY SERVICES

A full staff contingent with two state veterinarians is providing an ongoing and comprehensive state veterinary service in the Kruger National Park, including disease investigations, laboratory services, animal disease control, border control, import/export control and veterinary public health services.

Continued assistance is being given to SANParks with the investigation of wild animal attacks on humans and cases of poaching to provide insight from an animal disease point of view.

A veterinary clinical service is rendered, which includes the treatment of domestic and game animals in the Kruger National Park, as well as performing postmortem examinations. Some of the cases dealt with, included the diagnosis and treatment of several dogs with various disease symptoms, the necropsy of a black rhinoceros with suspected botulism and the necropsy of an emaciated leopard from Sabi Park, which was so severely decomposed that no diagnosis could be made.

Continued assistance is also provided to the Skukuza disease-free buffalo breeding project, including liaison in the light of the pending loss of the Vaalbos National Park as a result of land claims. Vaalbos served as a vector-free area for the buffalo offspring of the project and the movement of such animals into vector areas requires special disease control measures.

LAW ENFORCEMENTS AND LEGAL MATTERS

Ongoing advice was provided to provincial veterinary services and there is ongoing liaison with Legal Services regarding contraventions of the Animal Diseases Act, including illegal importation of animals and animal products from neighbouring foot-and-mouth disease infected countries. Further advice was given with regard to the handling of cases of suspected and impending unauthorised movement of buffalo.

Further assistance was given to provincial veterinary services with law enforcement in the case of contraventions of the Animal Diseases Act with regard to the control of African swine fever, foot-and-mouth disease, corridor disease, Johne's disease, African horsesickness, rabies and the collection of buffalo census data.

Further issues regarding the possible legal implications of a claim for compensation in a case of bovine tuberculosis in the Northern Cape, were handled with the advice of Legal Services. Formal letters were issued and advice given regarding the future handling of similar cases to avoid misconceptions on the issue of compensation.

In the court case that was brought against the department for refusing to allow the importation of sable antelope from Zimbabwe, assistance was given regarding the compilation of the documentation and affidavits. In an unprecedented move, the high profile of the case motivated the red meat industry to enter the case as a third party and side with government. The successful outcome of the court case strengthened the ability of the authorities to safeguard the country against the importation of animal diseases.

### Intergovernmental

Ongoing advice is being supplied to the Medicines Control Council on the feasibility of the importation of veterinary products to ensure that the principles of animal disease control are safeguarded.

Assistance was given to the South African National Defence Force with the drafting of a document on veterinary disease surveillance in South Africa for submission to the South African Council for the Nonproliferation of Weapons of Mass Destruction.

Communication is ongoing with provincial directorates of veterinary services and other government departments, especially the Department of Health, regarding all aspects of animal disease control.

Contact with the Department of Health is further being strengthened by the need to address the public health aspects of BSE. Other food-borne diseases will be accommodated in future.

### International

A meeting was held with agricultural representatives from the United States Embassy to brief the directorate on the recently announced BSE occurrence. Follow-up meetings are expected in the future to guide the reviewing of the import ban on all BSE risk material from the USA.

Ongoing international liaison with the SADC countries allows for continuous updates on the animal disease situation in those countries.

Ongoing international liaison is taking place with regard to the Great Limpopo Transfrontier Park.

A planned BSE diagnostic techniques course in Switzerland was not supported and therefore cancelled in January 2004.

#### VISITS TO AND BY FOREIGN VETERINARY SERVICES

A joint bilateral commission was held with Brazil. The approval of centres for the export of semen and embryos and ostrich hatching eggs was discussed and it was agreed that South Africa could approve facilities to export to Brazil.

Delegates from the food and veterinary office of the EU's Commission visited South Africa in November 2003 to evaluate the animal health controls in place, in particular over foot-and-mouth disease, public health control systems and certification procedures. Their report was made available recently, with South Africa having the opportunity to respond to their comments.

Singapore veterinary authorities visiting South Africa inspected Kenilworth in Cape Town, as a pre-export vector protected quarantine facility. They were satisfied with the bio-security measures at the facility but cannot give guarantees until it is officially approved. Currently the major obstacle to exports to Singapore is the certification concerning West Nile virus, which South Africa cannot comply with and therefore cannot certify.

The Singapore veterinary authorities also visited Pieman's Pantry, Karan Beef, Winelands Pork and Rainbow Chickens. In general the inspections went well and some of the issues raised have already been rectified. A complete report will be forwarded to South Africa with remarks and the final decision concerning the export approval to Singapore.

The visit of the National Agrifood Health and Quality Service, the official veterinary services of Argentina, was successful. The delegation visited various semen and embryo facilities, state veterinary offices and Onderstepoort, to assess South Africa's system of approval of embryo and artificial insemination centres for export. They also discussed the recent outbreak of foot-and-mouth disease in Argentina and the ban that was placed on the importation of meat from Argentina into South Africa. The delegation expressed their satisfaction with the findings regarding South Africa's disease control in general and specifically with regard to the management and approval of ruminant embryo and AI centres. They indicated that they would permit the export of bovine semen and embryos to Argentina.

A delegation from the veterinary services of Paraguay visited the directorate to assess its controls with specific emphasis on ruminant semen and embryo centres. They were satisfied and will permit the export of embryos to Paraguay.

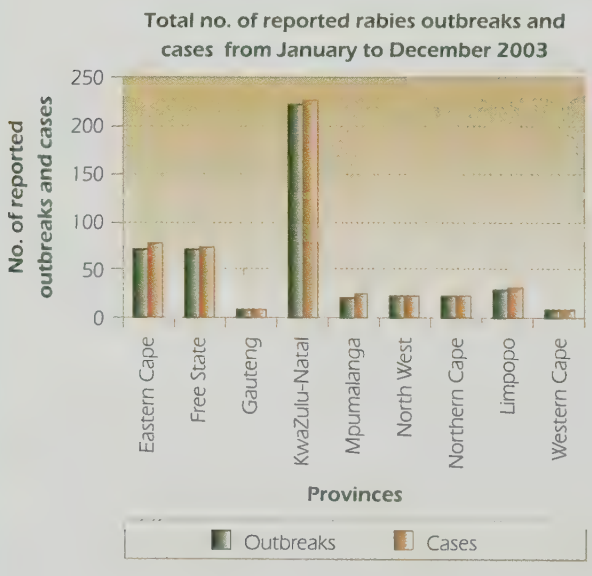
Dr George Perry from the veterinary services in Australia did a follow-up visit. He is conducting a risk assessment, which will possibly enable South Africa to export ruminant semen to Australia. He requested a meeting with the certifying provincial veterinarians, laboratory veterinarians, the industry and the national directorate to discuss preliminary findings and the suggested protocol.

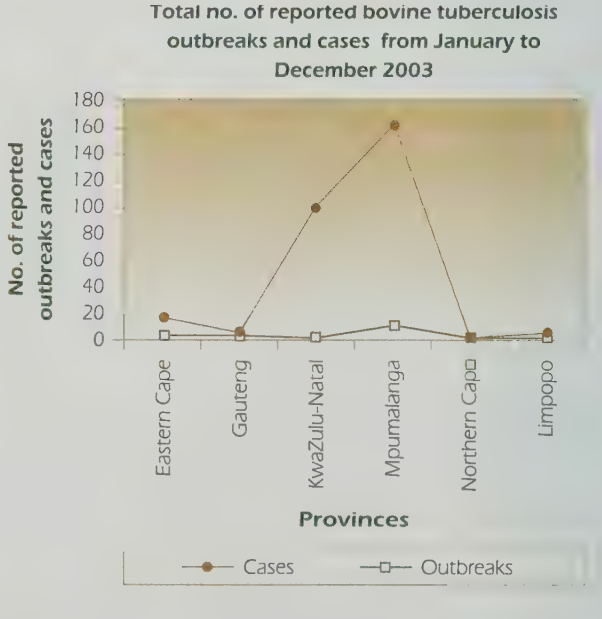
Three delegations from the People's Republic of China as well as the Deputy Minister of Agriculture visited South Africa. They visited the Veterinary Faculty at Onderstepoort and the Veterinary Research Institute. The third delegation arrived in December 2003. Discussions included China's ban on South African products as a result of the foot-and-mouth disease outbreak of 2000.

An Intergovernmental Committee on Trade and Economic Co-operation meeting took place in Moscow in November 2003.

A delegation from the United Arab Emirates visited South Africa in February 2004. Their main concerns were the lack of a proper traceability system for cattle, the use of growth stimulants for cattle and the halaal certification being issued by four different halaal bodies, instead of one. An inspection report will be forwarded to the directorate soon.

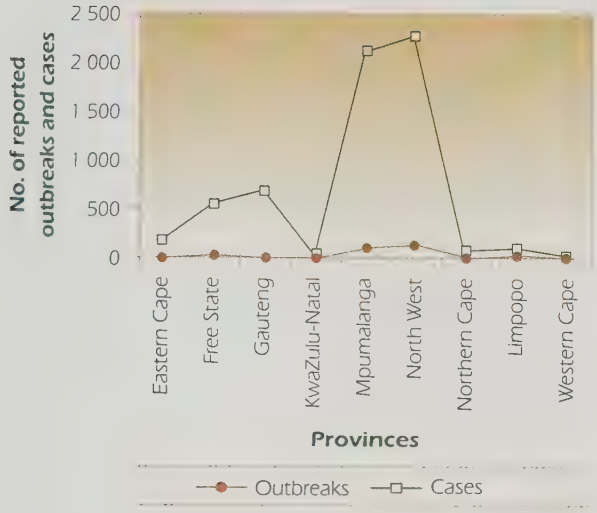
GRAPHS ON CERTAIN CONTROLLED ANIMAL DISEASES



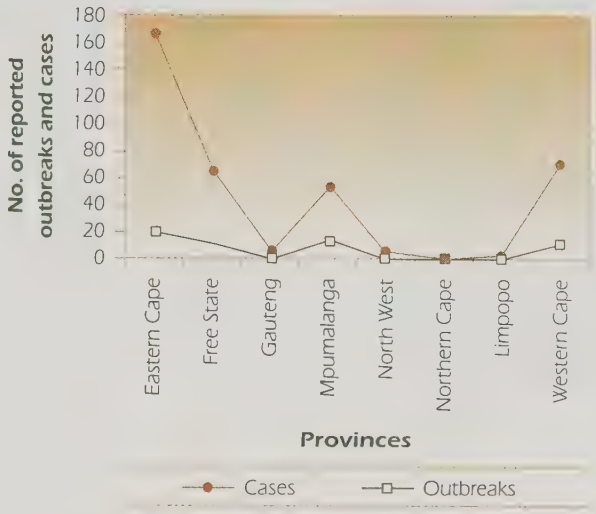




The increased number of cases in KwaZulu-Natal has necessitated a targeted programme to deal with Rabies in the area. During 2004 the current programme was reviewed to strengthen control.

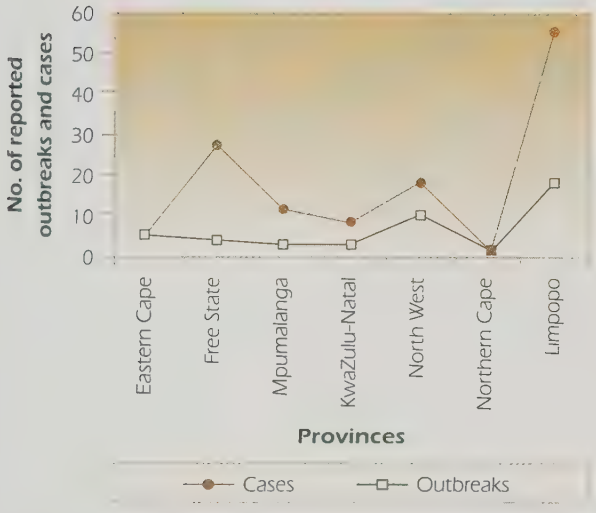
**Total no. of reported bovine brucellosis outbreaks and cases from January to December 2003**



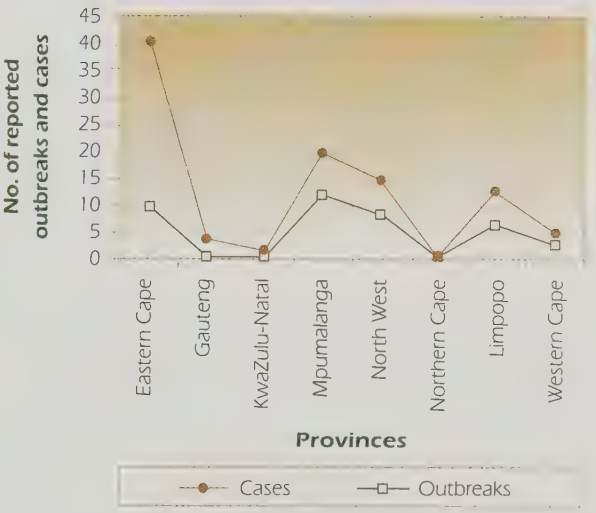

**Total no. of reported bluetongue outbreaks and cases from January to December 2003**



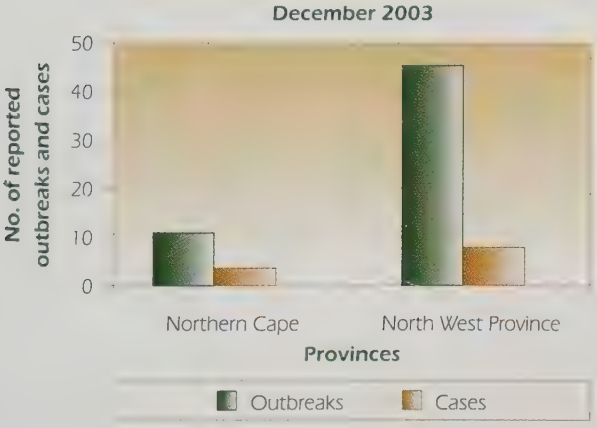

**Total no. of reported bovine malignant catarrh outbreaks and cases from January to December 2003**



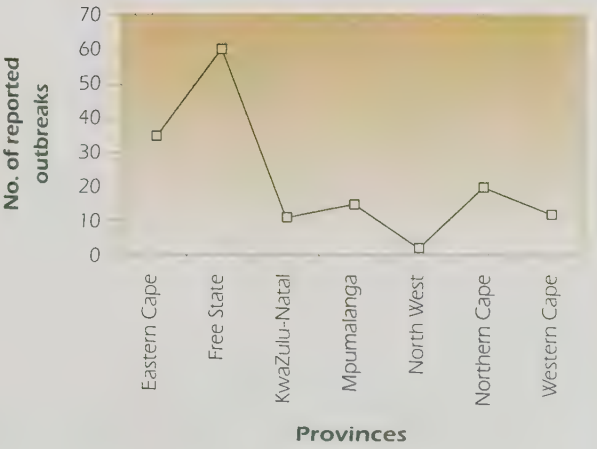

**Total no. of reported lumpy-skin disease outbreaks and cases from January to December 2003**




**Total no. of reported anthrax outbreaks and cases from January to December 2003**




**Total no. of reported sheep-scab outbreaks during January to December 2003**



**eben rademeyer**
senior manager

# South african agricultural food quarantine and inspection services

## AIM

The directorate ensures that imported and exported goods are safe. Within the thrust of the agricultural strategy, the directorate administers and is involved with the principles of the WTO, the agreement on the application of sanitary and phytosanitary measures, the agreement on the application of technical barriers to trade and the convention on biodiversity, as well as the standards of the International Plant Protection Convention (IPPC), Codex Alimentarius, the International Union for the Protection of New Varieties (UPOV), the International Seed Testing Association (ISTA), and other recognised bodies.

It operates according to the following acts:

Agricultural Pests Act, 1983, (Act No. 36 of 1983)
Agricultural Products Standards Act, 1990 (Act No. 119 of 1990)
Plant Improvement Act, 1976 ( Act No. 53 of 1976)
Plant Breeders' Rights Act, 1976 ( Act No. 15 of 1976)
Liquor Products Act, 1989 (Act No. 60 of 1989)
Genetically Modified Organisms Act, 1997 (Act No. 15 of 1997)
Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947)
Animal Protection Act, 1962 (Act No. 71 of 1962)
Livestock Brands Act, 1962 (Act No. 87 of 1962)
Livestock Improvement Act, 1977 (Act No. 25 of 1977)
Veterinary and Para-veterinary Professions Act, 1982 (Act No. 19 of 1982)
Animal Diseases Act, 1984 (Act No. 35 of 1984)
Animal Improvement Act, 1998 (Act No. 62 of 1998)
Meat Safety Act, 2000 (Act No. 40 of 2000)
Animal Identification Act, 2002 (Act No. 6 of 2002)
Animal Health Act, 2002 (Act No. 7 of 2002)

During 2003 critical needs of the agricultural community in South Africa were addressed, thereby ensuring global market access and maintenance of markets. As signatory member of international organisations, one of the obligations is to provide for a national agricultural regulatory service.

The directorate is the official regulatory service for South Africa that ensures the availability of plants, plant propagating material and plant and animal products of international accepted quality and health status. This service contributes toward the protection of animal, human and plant health and life.

## OBJECTIVES

The main objectives of the directorate are the rendering of inspection and audit services at official ports of entry points, national plant and plant product inspection and audit services, plant quarantine and plant diagnostic services and animal

quarantine and diagnostic services. Furthermore, the directorate renders analytical laboratory services for agricultural products and national inspection services on plant and propagating material.

## ACHIEVEMENTS

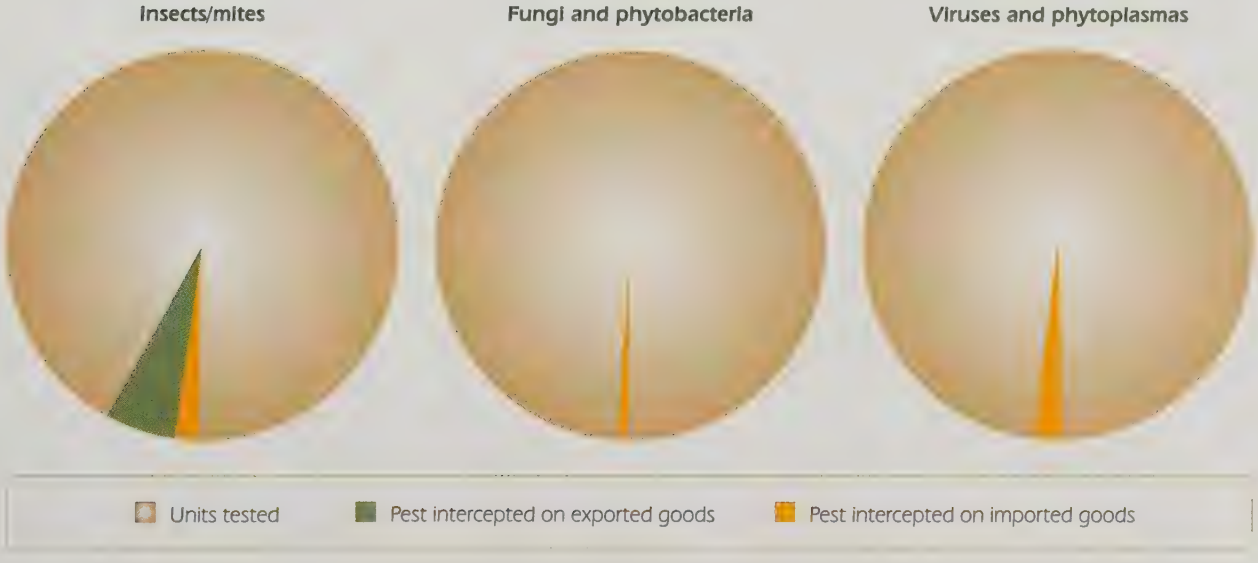
### Products and services

The directorate assisted various industries to commercially import large quantities of plant material free from foreign pests and diseases, thereby supporting the establishment of small-scale farming and agricultural industries or development and expansion of existing agricultural industries. This in turn will create more jobs and increase exports in the near future. Approximately 150 000 cuttings and plantlets comprising seven crops and 400 kg persimmon seed were imported.

A total of 522 units of new genetic breeding plant material, representing most of the economic important crops of the Western Cape region, were imported. The importation of these new genetic sources of genetic material will enable researchers and breeders to contribute towards the agricultural strategy of continued competitiveness of the deciduous fruit and wine industries. Some 288 units were released from quarantine after completion of the quarantine evaluation procedure.

The transfer of the responsibility for the maintenance of the deciduous fruit genetic repository to industry members was welcomed. All the major role-players reacted positively by indicating which genetic sources are of critical importance to the industries and which may be discarded. Plans to transfer the remainder of the nucleus sources have already been received from one stakeholder, and a programme is being developed to soon transfer a significant number of plants from the official facilities.

| | |
|---|---|
| *Insects and mites* | Some 4 800 units were examined and quarantine pests of seven exotic genera intercepted on imported goods while 30 pests of export status were intercepted. |
| *Fungi and phytobacteria* | About 4 690 procedures were executed to isolate and identify fungi and bacteria. Species of seven exotic quarantine pathogens were intercepted. |
| *Viruses and phytoplasmas* | Some 5 340 diagnostic tests were performed, resulting in five interceptions of material infected with exotic plant viruses. |



INTERCEPTIONS OF PLANT PESTS AND RELEASES ON CONTROLLED GOODS

| | Units tested | Pests intercepted on exported goods | Pests intercepted on imported goods |
|---|---|---|---|
| Insects/mites | 4 800 | 30 | 7 |
| Fungi and phytobacteria | 14 690 | | 7 |
| Viruses and phytoplasmas | 5 340 | | 5 |

These interceptions are invaluable to the relevant fruit and wine industries by preventing the harmful effects of these organisms and also preventing subsequent increased treatment costs involved in the production of economically valuable crops and food.

Detection of pests and pathogens in fresh fruit destined for export, lead to the rejection of specific consignments of fresh citrus and deciduous fruit from the export programmes, thereby not putting the existing export protocols and hard earned international markets at risk.

Information on an interception of consignments of *Prunus* fruit, *Prunus domestica,* containing *Monilinia fructicola* by the Plant Health division of the Department of Environment, Food and Rural Affairs of the United Kingdom, was received during April 2003. *Monilinia fructicola* is listed as an A1-regulated pest for South Africa and is not known to occur in stone-fruit orchards in the country. South Africa is considered as one of the major stone fruit growing areas that is still free form this pathogen. Brown rot found in South Africa is caused by *Monilinia laxa*. A survey to inspect and sample identified orchards has been initiated to support the diagnostic process to determine if the identification done in the UK, is indeed correct.

Results based on traditional isolation and identification procedures revealed that the causative agent is *Monilinia laxa* and not *M. fructicola*. Advanced polymerase chain reaction protocols are currently in progress to verify the identification before an official statement in this regard will be issued.

The golden syst nematode, *Globodera rostochiensis* is known worldwide to be one of the most severe pathogens of potatoes cultivated in cool, temperate regions. This pathogen was reported from the Western Cape production areas in 1999. An investigation was done to optimise the technique used for the extraction of *Globodera cysts* from soil.

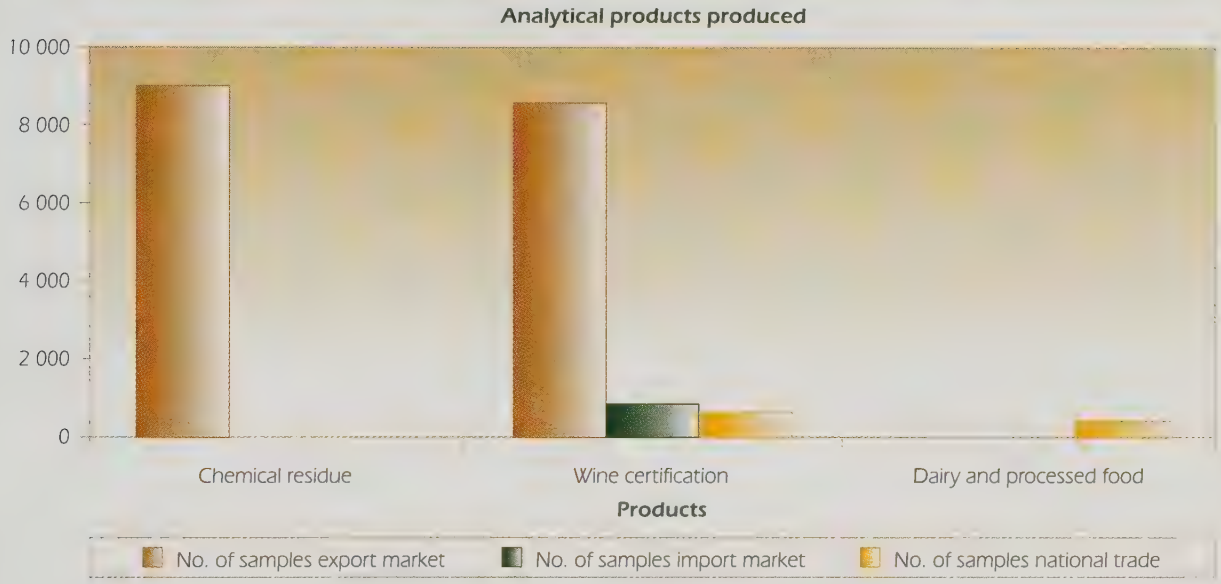
Effective plant variety registration services were rendered by performing evaluation trials, which resulted in the acceptance of 427 varieties that conformed with the requirements for plant breeders' rights and variety listing, while 45 varieties were rejected because of non-conformation. This contributed positively to the strategy of global competitiveness and profitability. By providing for and registration of plant breeders' rights, South Africa has access to new improved varieties which allow producers to compete on foreign markets with the latest varieties, in this way earning foreign currency.

Seed that is available in the industry to audit the genetic quality of propagating material supplied to producers was also evaluated. During the past financial year approximately 2 100 seed samples were evaluated, of which 98 % conformed to the requirements. The auditing of seed in the trade directly contributes to food security as this ensures that the propagating material is of the best quality available.

On an international level officials participated in the drafting and development of technical procedures documents and test guidelines for the evaluation of plant varieties, co-ordinated by UPOV. The available knowledge and experience of South Africa contributed positively in the development of international standards for the evaluation of plant varieties. One of the documents on the development of test guidelines in which South Africa played a leading role, has been finalised and adopted by the technical committee in 2003.

The analytical laboratories in Pretoria and Stellenbosch have produced the following analytical products:

| Type of analysis | Market | Number of samples |
|---|---|---|
| Chemical residue | Export | 8 871 |
| Wine certification | Export | 8 610 |
| | Import | 760 |
| | National trade control | 686 |
| Dairy and processed food | National trade control | 355 |




QUALITY MANAGEMENT SYSTEM

A feasibility study was undertaken by the Plant Diagnostic Division to become accredited through the ISO 17025 laboratory accreditation system. A number of role-players such as management, the South African National Accreditation System and other experts were approached and a report was compiled. A positive outcome from the study paved the way to introduce a quality management system, which will ensure an accreditation by SANAS. Further action is being taken to raise the laboratories to an accreditation status.

Development of a quality management system in compliance with the International Standardisation Organisation/International Electrotechnical Commission 17 025 standard, is at a stage where implementation of the managerial part is in progress, while the technical part of validation of the methods is receiving high priority. Successful participation in international proficiency testing for chemical residue has been achieved. Co-operation between the Pretoria and Stellenbosch laboratories was developed to ensure harmonisation of standards and procedures on a national level.

The upgrading and implementation of new analytical technology to keep up with the rest of the world to ensure compliance with higher standards have received attention at both laboratories.

Upgrading of information systems to improve the record keeping and reporting of test results has been successfully implemented.

These achievements added value to the marketing of agricultural products by ensuring compliance with requirements of South Africa's international trading partners as well as protecting the country's own consumers against unfair trading of low-quality regulated products.

| Test results | Number of samples | Percentage of tested samples |
|---|---|---|
| Samples with one pesticide | 3 369 | 38,00 |
| Samples with two pesticides | 790 | 8,90 |
| Samples with three pesticides | 92 | 1,04 |
| Samples with four pesticides | 6 | 0,07 |
| Total samples containing pesticide residue | 4 257 | 48,00 |

The availability of analytical test reports and certificates to support the marketing of fresh produce and wine, produced by laboratories that apply international accepted standards, makes it possible to access and maintain international markets. These exports are earning South Africa a large amount of revenue. Special requirements implemented by Japan for pesticide residue on citrus, were met and ensured a continued market for our agricultural produce.

Chemical residue found in fresh produce is in line with results reported in international literature and gives the regulators valuable information to build South Africa's good reputation for safe food of high quality. About 4 % of the samples contains residue that exceeds the maximum residue levels. The successful participation in international proficiency testing for chemical residue gives clients confidence in the analytical test results produced by the laboratories.

The plant health diagnostic section has improved on certain techniques for the detection of plant viruses. This included the introduction of immunological techniques such as enzyme-linked immunosorbant assay (ELISA) that was not available to detect certain nepoviruses that are important pathogens to most of the agricultural crops in South Africa. The molecular technique, polymerase chain reaction has also been successfully employed in the detection of low concentrations of nematodes, insects, bacteria and viruses in plant material.

IMPORTS

As regulators this directorate provides a supportive environment to food security in support of the Integrated Food Security and Nutrition Programme (IFSNP) and the Comprehensive Agricultural Support Programme (CASP), taking into cognisance the agricultural sector plan, to ensure that the business and regulatory environment is conducive for agricultural development and food safety.

During the review period the directorate handled the regulation of all imported consignments at prescribed ports of entry and extended detentions to specific sites including the inspection of regulated articles inland.

With regard to genetic resources, consignments of horticultural, forage and agronomic seeds are inspected within the framework of the Plant Improvement Act of 1976. Less than 5 % of seed lots inspected were rejected on the basis of noncompliance with the requirements of the Act. Therefore only viable and healthy seed that will optimise agricultural growth by increasing productivity and enhance profitability is imported.

With regard to quality assurance of agricultural products, the importation of bulk white wine increased dramatically, compared to previous years. More than 65 million litres were imported. The import of bottled wine and spirits increased only marginally. Inspections were carried out under the Liquor Products Act to monitor the quality, sanitary and labelling status of these products to protect the local industry. A total of 32 consignments were rejected and one major investigation was done on the illegal importation and selling of Tequila.

With an increase in fraudulent spirits that pose a health hazard, the inspections intercepted potential health hazards and ensured selling of safe liquor products. The drive is to extend the inspections to previously neglected areas and enforce legislation, thereby cutting off transgressors' lucrative markets.

To regulate and prevent the introduction of quarantine pests, where imported consignments are provisionally released on extended detentions from the port of entry point control to premises where inland inspections are done, consignments are inspected for compliance. The extended detention is in accordance with the prescripts of the Agricultural Pests Act where there are shortages in inspection facilities at the port of entry. During the reporting period 2 570 consignments were

inspected with 7,6% intercepted for significant failure to comply with stipulated phytosanitary requirements. The intercepted consignments could pose a threat to food security, sustainable management of natural agricultural resources and ecological systems as establishment of pests would also derail existing export programmes while endangering agro-ecosystems. Import control ensured that exotic pests were not imported and established within South Africa.

Import control regulatory services were extended to an additional airport when the Kruger Mpumulanga International Airport opened during the first quarter in 2003/04. This brings the total number of international airports where agricultural regulatory services were provided to five. The other airports are Johannesburg, Cape Town, Durban and Lanseria.

Good collaboration between the Department of Agriculture and the South African Defence Force, Military Police and other government departments such as Nature Conservation have led to successful operations at Waterkloof and Bloemfontein airforce bases. These ongoing collaborative efforts have restricted the entry of regulated goods and articles carried by the South African Defence Force - UN peacekeeping personnel returning from duty in the Democratic Republic of the Congo and Burundi. In addition to import control at these nondesignated points of entry, an awareness programme was also initiated in Bloemfontein to inform troops, before they left the country, of the possible implications of phytosanitary risks to South Africa.

The approved post establishment for the airport division in 2003/4 has resulted in the appointment of 12 agricultural port quarantine inspectors for both Cape Town and Johannesburg International Airport. However, training and security clearance procedures at the airport meant that they were only able to render an import control service at passenger arrival terminals in May 2004.

At the end of March final agreements were reached with the National Detector Dog Training Centre in the United States, to procure trained detector dogs as well as trained personnel during 2004. Subsequently, a final agreement was also reached with the Airports Company of South Africa to build dog kennels at the Johannesburg International Airport.

These achievements have undoubtedly supported the strategic objectives of reducing the risk levels associated with diseases, pests and natural disasters. In addition, joining forces with other government departments has ensured effective governance as well as knowledge and information management.

EXPORTS

Different export control functions were carried out in support of increasing food trade and distribution, improving income opportunities through minimising risks associated with regulated articles and through ensuring compliance with international obligations.

Export activity by the South African Seed Trade has increased, particularly to countries in the SADC region, in the review period. The increase is largely the result of the food shortage problems experienced in these countries. Export certificates issued to these countries as prescribed by the Plant Improvement Act, 1976, were mainly for cowpeas, maize, dry beans, grainsorghum and groundnuts. The export certification ensured that quality seed was exported and therefore supports the CAADP of ensuring food security for Southern Africa.

During this period seed lots were also approved for export under the orange international certification scheme and included vegetables, sunflower, forage, sorghum, cowpeas, white grain maize and grasses. All requests for the officer in charge and export certificates were attended to.

The exportation of South African wine and spirit yet again increased at a steady rate. Liquor is mostly exported in bulk, but a substantial volume of bottled liquor is also exported. The EU is by far our largest market. Other regulated agricultural products such as fresh produce, processed products, and agronomy products are also doing well on the export markets. This can be ascribed to our thorough control of the quality and sanitary status of these products.

In accordance with the international standards on phytosanitary measures of the IPPC, special work programmes were maintained with the relevant trading partners and a total of 17 619 766 cartons of fruit were exported to these markets. To ensure phytosanitary integrity and consignment security 53 543 phytosanitary certificates were issued for all consignments of plants and plant products, thereby ensuring essential foreign exchange and creating a higher confidence level from trading partners.

Export control functions have ensured maintenance of existing markets, access to new markets and also created commendable platforms for the penetration into other identified viable markets.

NATIONAL TRADE CONTROL

In terms of international obligations, import requirements cannot be more stringent than existing requirements for local markets. It is therefore imperative to tighten the national controls to sustain import requirements. During the year under review, the directorate engaged in numerous national control surveys and audits which are geared towards sustainable management of natural agricultural resources and ecological systems, as well as ensuring access to sufficient, safe and nutritious food and setting up proper governance structures for effective regulatory services.

As a result of vacancies during the period under review, trade control on genetic resources were not carried out at expected levels. However, this will improve significantly with the appointment of new personnel. Registered seed premises and nurseries were inspected for the approval and rejection of seed and plant lots, respectively. Less that 5 % of the seed and plant lots were rejected for failing to meet the minimum requirements of the Plant Improvement Act, 1976. Unregistered premises were also audited for the possibility of registration.

In terms of the Genetically Modified Organisms Act, 1997, both greenhouse trials and field trials were conducted on sugar cane (*Saccharum* spp.) soya-beans, cotton, potatoes and maize respectively.

Monitoring of certification schemes established in terms of the Plant Improvement Act included field inspections that resulted in the approval of certified maize under the South African seed certification scheme as well as wine grapes and deciduous fruit under the South African certification scheme for wine grapes and deciduous fruit.

Widespread and serious transgressions occurred under the Liquor Products Act with a number of operations carried out with the South African Revenue Service and the South African Police Service. This resulted in the confiscation of large volumes of liquor products and the institution of various legal actions. As far as the Agricultural Product Standards Act is concerned, the biggest problem was the misleading of consumers through incorrect/misleading labelling of products. The substitution of milk for whey powder remains a problem but the directorate managed to track down some of these transgressors and institute legal action against them.

The detection surveys for the golden cyst nematode in different potato producing areas were conducted with a 25-ha farm placed under an order after detection of this pest. The monitoring survey for Karnal Bunt was extended for the reporting period with all wheat-taking silos and seed-cleaning facilities sampled. The reports indicate that Karnal bunt is still confined to the Northern Cape areas of Douglas and Prieska. Citrus black spot free areas are constantly surveyed, providing an element of confidence in export of citrus to citrus black spot sensitive markets and giving South Africa a competitive edge over fellow competitors in world markets.

The International Seed Testing Association audit took place in March 2004 at the official seed testing station at Roodeplaat. The laboratory, as well as the authorised samplers was granted re-accreditation by the association for another three years.

Experienced employees in plant health regulatory issues participated in two working sessions, including relevant industry role-players. The working sessions were held to discuss and collate country comments on draft international standards for phytosanitary measures. Further bilateral plant health meetings were held with NPPO counterparts from Swaziland, Mozambique and Zimbabwe regarding issues of mutual concern.

Supporting all imports and exports, implementation of procedures continued to ensure that South Africa is able to comply with the IPPC's international standard for phytosanitary measures for regulating the treatment of wood- packaging material in international trade continued. News releases and a notice in the Government Gazette were published, and service providers are being registered as users of the approved treatment mark. The IPPC and trading partners will be advised accordingly. A regulation was promulgated to ensure effective pest risk management of wood pests associated with future imports of wood-packing material.

# 8 planning, monitoring, evaluation and communication

zola ginda
assistant director-general

## AIM

The Programme Planning, Monitoring, Evaluation and Communication provides agricultural news and information services, manages international relations, and facilitates skills development as well as training for new and existing farmers.

## PROGRAMME POLICY DEVELOPMENT

Apart from its management function the programme consists of four directorates:

- **Agricultural Information Services** provides agricultural information and communication services
- **Education and Training** facilitates the supply of appropriate human skills to meet the demand in the sector
- **International Relations** promotes and protects South African agricultural interests through facilitation, co-ordination and support of bilateral and multilateral agreements
- **Grootfontein Agricultural Development Institute** provides for the training and development of new and existing farmers.

## PROGRAMME OVERVIEW

A departmental communication strategy was finalised and submitted to the Government Communication and Information System (GCIS). Regular teleconference meetings were held with sector partners and the provincial communication heads to supplement the agricultural communicators forum meetings. In this way communication was improved considerably. It proved to be very valuable in running joint projects or campaigns such as the budget vote and Female Farmer Awards event.

During the year under review the programme focused on the administration and implementation of the external bursary scheme. Bursaries were awarded to 76 students in the fields of agricultural engineering, viticulture, veterinary science and food science and technology. An experiential internship programme was launched in 2003 and 96 interns were accepted. Graduates have the opportunity to obtain experience of a working environment as part of government's commitment regarding the outcomes of the growth and development summit.

South Africa hosted the 23rd session of the Food and Agriculture Organization's (FAO's) Africa regional conference at the Sandton Convention Centre, Johannesburg in March 2004. All African member states of the United Nations (UN) attended this regional ministerial level conference. The programme is also increasingly engaged in the strategic positioning of the department in international and multilateral forums. The programme also co-ordinated the department's engagement and participation in NEPAD and the African Union's processes.

As a result of the reduced momentum in implementing the development agenda of the World Trade Organisation (WTO), pressure on and uncertainty in the agricultural sector have increased.

The current curriculum of the Grootfontein Agricultural Development Institute is well structured for the modern demands in the small-stock industry. A modular approach was introduced during the period under review, whereby the curriculum was presented in the form of short courses, each with its own accreditation value. The college received full unconditional

accreditation as a tertiary institution during the Committee of Technikon Principals/Higher Education Qualifications Committee (CTP/HEQC) evaluation in October 2003.

## KEY OUTPUTS, INDICATORS AND TARGETS

| Directorate | Output | Indicators | Target | Status/comment |
|---|---|---|---|---|
| Agricultural Information Services | Publications, radio broadcasts and web based information | The proportion of the targeted farmers whose productivity has improved as a result of the information provided | 200 000 emerging farmers reached by March 2004 | 190 000 copies of various publications distributed; no radio programmes broadcast due to a lack of capacity; information on website updated weekly |
| International Relations | A technical assistance programme for Africa | The proportion of identified priorities implemented successfully | 40 % of priorities identified in the programme implemented by March 2004 | Framework for technical assistance developed. Bilateral assistance with Angola, Democratic Republic of Congo, Algeria and Mozambique at different levels of implementation |
| Agricultural Education and Training | A bursary scheme for agriculture | The proportion of stakeholders who have adopted the implementation plan | 100 learners selected from tertiary institutions, agricultural high schools provided with bursaries by March 2004 | 76 learners awarded bursaries |
| Grootfontein Agricultural Development Institute | Targeted farmer training programmes | The proportion of students who are previoulsy disadvantaged individuals (PDIs) and who completed the training | At least 80 % of entrants are PDIs. At least 80 % of students completed the training | Curriculum transformed to separate short courses – 66 % attendants were PDIs. Student pass rate: Higher Certificate 81 %; National Diploma 100 % |

steve gabane
senior manager

## agricultural information services

The directorate Agricultural Information Services provides communication support to the department, disseminates agricultural information through publications and electronic media and manages campaigns and media events to increase awareness of agricultural issues.

### OBJECTIVES

The objectives of the directorate are to advise, facilitate, co-ordinate and manage agricultural information services, national public communication and campaigns in support of agricultural development and to develop and manage internal communication. Furthermore, it advises,

manages and renders agricultural information support services, implements government-wide communication policies and programmes and renders management support services.

## ACHIEVEMENTS

### Policy

Good progress was made with the formulation of the departmental communication strategy during the period under review. The approved strategy was submitted to GCIS in July 2003.

### Client and public interaction

Exhibitions were staged in support of the Minister's National Assembly budget vote, as well as the National Council of Provinces budget vote in Parliament. Exhibitions were also presented at the National Maize Producers' Organisation (NAMPO) annual harvest festival in Bothaville in the Free State, the Royal Bafokeng show in Rustenburg, the Agri-Food Expo and the Eduplant/Permaculture Exhibition, both in Midrand. Exhibitions were also presented at the Royal Agricultural Show in Pietermaritzburg and the Kwanalu Farmers' Day in KwaZulu-Natal. The directorate also exhibited at the World Wetlands Day celebrations in the Eastern Cape.

The department won a silver award for the exhibit at the Blue IQ Smart Industry Expo held at the Sandton Convention Centre.

The directorate also participated in a career exhibition at the National Youth Day celebrations on 16 June 2003 in Witbank, Mpumalanga.

World Food Day coincided with the Imbizo Focus week in October 2003. Events were held in KwaZulu-Natal, North West, Free State, Gauteng and Mpumamlanga Provinces.

The annual Female Farmer of the Year Awards was coordinated on national and provincial level and included advertising the event, profiling candidates and organising the national awards ceremony, held on 22 November 2003 in Polokwane. Winners were announced in four categories, Top exporter, Top producer for national markets, Top producer for informal markets and Top producer for households. The category, Top producer for households, was introduced in 2003 to involve women who are producing food to ensure household food security.

The government campaign "16 days of activism of no violence against women and children" was supported internally by issuing white metal ribbons to all staff members, while the campaign was launched externally on 25 November 2003 in KwaZulu-Natal at Ingwavuma, Makhathini and Jozini in the Umkhanyakude district. Regional offices of Agri SA and the National Agricultural Farmers Union (NAFU) also co-operated. The campaign was also celebrated in the Western Cape in collaboration with the Department of Land Affairs and the Land Claims Commission in the form of an Imbizo.

World Aids Day was celebrated on 28 November 2003 by lighting Aids candles in sympathy with those living with HIV/Aids and those who lost loved ones. Messages supported the 16 days of activism of no violence against women and children and HIV/Aids and employees laid down coins, which were presented to a children's home on Youth Day. Employees participated in the march to the Union Buildings and the partnership campaign where the department's HIV/Aids commitment was presented.

The directorate assisted with the launch of the Special Programme for Food Security (SPFS) in Burgersfort in the Limpopo Province. The launch preceded the FAO's Africa regional conference held in Sandton, Johannesburg.

Liaison with the media continued during the period under review and 34 media statements were released. News briefings are held on an *ad hoc* basis to inform the media of important issues.

## Programmes and projects

*The Strategic plan for South African agriculture* was published and distributed in 10 official languages. The Setswana version was outsourced to the National Language Services for translation and will be published as soon as the translation has been finalised.

Advertorials and advertisements were placed in key publications and mainstream print media to position the department and to promote departmental projects and programmes. Advertisements were placed in the Sunday Times, Sowetan, Farmers' Weekly and Mail and Guardian to profile the Female Farmer of the Year competition. The Director-General took part in an SABC TV Morning Live interview to discuss the significance of World Food Day.

## Products and services

Information was disseminated to the farming sector and to stakeholders involved in agriculture through various publications. Altogether 12 new info packs were published and 14 were updated/reprinted and published for use by extension officers/animal health technicians for training of developing farmers. Many of these publications were translated and are also available in other official languages. A total of 20 new information brochures and *ad hoc* publications were edited and published as well as ten provincial newsletters. Two textbooks were published as part of the Farmer handbook series, *Small-scale poultry farming* and *Cultivation of subtropical crops*.

A supportive editorial and publishing service was rendered to the Ministry, departmental clients and the provincial departments of agriculture. This included the design, layout and printing of posters, banners, programmes, invitations, cover pages, policy documents, certificates, folders and business cards.

The *Strategic plan for the Department of Agriculture 2004* was published on CD and tabled in Parliament. It was also published in hard copy and distributed to stakeholders.

In total 11 regular issues of the department's monthly external newsletter, *AgriNews*, were printed and distributed to leaders in organised agriculture, other government departments, Portfolio Committee members, the media, provinces and parastatals. It featured articles on speeches by the Minister, departmental programmes and projects, activities within the provinces and activities of partners. A special edition was published on the Female Farmer Competition. Five editions of the internal newsletter, *WezoLimo*, were published.

Information on the web page was regularly updated, including updates of crop estimates, monthly weather reports and publications on agricultural statistical information. Speeches by the Minister and media releases were issued on the day of delivery. Publications produced by the department are available on the website, including the *Plant Variety Journal* and the *South African Variety List*, which are published only on the web. New webpages were added for the Registrar of Co-operatives, Directorate Education and Training and for the trade and development workshop held during the FAO's Africa regional conference in March 2004.

No regular radio programmes were broadcast during the period under review, because of a lack of human resources.

The Information Centre rendered library and documentation services to internal and external clients and distributed publications worldwide. The Resource Centre sold approximately 6 800 publications and distributed more than 190 000 other publications, including info packs and *AgriNews*.

The electronic library catalogue was expanded by adding 997 new records. A total of 592 original bibliographic records were added to the national Sabinet Online catalogue (SACat) and 247 to the international catalogue, WorldCat, making the stock available for interlibrary lending purposes. Staff accessed SACat 7 606 times to find references for clients and dealt with 765 interlibrary lending transactions.

The Documentation Centre categorised, indexed and submitted 834 references from South African agricultural publications to the information system for the agricultural sciences and technology database of the FAO. The centre also compiled sub-

ject profiles for clients to retrieve more than 3 000 references from the Commonwealth Agricultural Bureaux International and the agricultural sciences and technology system databases.

The directorate hosted the annual meeting of agricultural librarians in September 2003. The meeting was attended by librarians from the national and provincial agricultural departments, the ARC and the Development Bank of Southern Africa.

## Education and training

mkhululi mankazana
senior manager

The purpose of this directorate is to facilitate the supply of appropriate human skills to meet the demands of the agricultural sector. The directorate derives its core mandate from the South African agriculture sector plan, the Skills Development Levies Act, 1999 (Act No. 9 of 1999), the national skills development strategy and human resources development strategy.

### OBJECTIVES

The objectives of the directorate are to manage public service education and training, facilitate and manage skills training in the agricultural sector, source and mobilise study opportunities nationally and internationally and manage agriculture tertiary education.

### ACHIEVEMENTS

#### Policy

During the period under review, the agricultural education and training strategy for agriculture and rural development was approved. An internal bursary policy, as well as a draft policy on youth involvement in agriculture was presented to three executive subcommittees for inputs.

#### Programmes and projects

The directorate introduced an experiential and internship programme, accepting 96 interns. From these 35 have secured permanent positions in the public and private sector.

The directorate participated in several exhibitions such as the SABC and provincial career exhibitions where brochures and bursary application forms were distributed.

Some 76 learners benefited from the departmental external bursary scheme for studies in Agricultural Engineering, Viticulture, Veterinary Science and Food Science and Technology.

Regarding the transformation of the 12 colleges of agriculture, the directorate with the Department of Education finalised the best option for future governance of these colleges. Further research on the implementation will be conducted during 2003/04.

#### Products and services

In promoting agriculture as a career of choice, the directorate published eight articles in the publication MiniMag on crucial agricultural careers in the 21st century.

It also organised a workshop to establish a standard generating body on agriculture extension in terms of the South African Qualifications Authority (SAQA) Act of 1995. The proposed extension model for South African agriculture was approved by

the Intergovernmental Technical Committee for Agriculture (ITCA) and was officially handed over to the Directorate Scientific Research and Development for implementation.

### International

During the period under review eight candidates from provincial departments of agriculture attended a vegetable cultivation course in Japan.

### Organisational

About 700 employees attended numerous skills training programmes. A total of 52 employees completed the ABET training while 97 enrolled for the course.

The number of internal bursary beneficiaries increased from 805 in 2002/03 to 1 056 in 2003/04.

**june josephs**
senior manager

## International relations

The directorate acts as international strategy advisor and co-ordinates and manages the Department of Agriculture's engagement with the international environment.

### OBJECTIVES

The objectives of the directorate are to facilitate the development of the international strategy, co-ordinate the Africa multilateral engagement with NEPAD, the African Union, SADC and the Southern African Customs Union (SACU) as well as the department's bilateral engagements.

The directorate also processes and maintains international agreements and memberships, reviews and assessments, represents South Africa's agricultural interests abroad and facilitates the department's positioning in multilateral forums and negotiations.

Furthermore, it provides a protocol service to the executive and establishes and manages the database of international outreach activities with foreign donors and agencies, including technical co-operation projects. It also researches and disseminates information to guide and inform international strategy and engagements and serves as a point of contact for international outreach.

### ACHIEVEMENTS

#### Policy

Following the development of the international strategy and branch planning, the directorate devised a strategic plan for the implementation of the international priorities and focus areas. The strategy determines the focus of South Africa's international engagement and priorities on agriculture, representing the country's agricultural interests through the development and consolidation of bilateral relations, with special focus on Africa and South-South co-operation, in multilateral institutions through sourcing international assistance to contribute to the delivery of the department's priority programmes.

The strategy focuses on trade and broader access to international markets for South African products, greater participation in the development of appropriate technologies and setting of the global and continental research agenda and skills exchange and development of appropriate technologies. Politically, the consolidation and establishment of relations at a

high political level, which will establish the framework for co-operation in the agricultural sector is a high priority. People-to-people contact and the promotion of stakeholder dialogue across borders through which informal but valuable exchange of information and transfer of skills takes place, also receives priority attention.

### Client and public interaction

The directorate is increasingly engaged in the strategic positioning of the department in international and multilateral forums. A mechanism for higher-level consolidation of contact and information sharing with the diplomatic corps through quarterly engagement with the diplomatic community will assist in confidence building. Greater support and direction is being given to foreign agriculture while integrating them to a larger extent in the directorate's planning.

### Programmes and projects

AFRICA

Strengthening bilateral relations between African countries and promoting Intra-African solidarity is being pursued.

SADC

The directorate is promoting closer bilateral co-operation and building solidarity with countries in Southern Africa in implementing the goals of NEPAD and strengthening intra-African ties. This is a South African priority, supported by the African footprints programme, aimed at consolidating relations with other African countries, particularly in SADC.

Several bilateral interventions were facilitated. The implementation of the bilateral agricultural agreement with Mozambique is ongoing. Joint co-operation projects with Mozambique have been finalised and funding options with development agencies were explored. A joint investment conference led by the two Ministers of Agriculture was held to encourage bilateral investment, particularly in the border areas. Several private sector and parastatal stakeholders participated and investigated possible opportunities. The directorate also co-ordinated the South Africa-Mozambique Joint Bilateral Commission.

A visit to Namibia aimed at establishing contact between these countries' departments of agriculture, consolidating relationships for joint co-operation projects, are currently under discussion. A ministerial bilateral followed where several areas of interest were discussed. The directorate also co-ordinated the South Africa-Namibia Joint Bilateral Economic Co-operation Commission, organised by the Department of Trade and Industry.

Several trade and technology sharing opportunities have also been facilitated. The directorate organised a joint programme with the agriculture department in the Free State for the technical delegation from Botswana visiting South Africa to purchase agricultural production inputs. It also organised a joint programme with the agriculture department in Limpopo for the Malawi citrus fruit producers visiting South Africa.

As part of South Africa's commitment to post-conflict resolution, much effort went into strengthening and formalising the co-operation partnership with Angola. After several rounds of negotiations as well as a ministerial bilateral, an agricultural bilateral cooperation agreement was signed. This establishes the framework in which joint co-operation and project implementation will take place, some of which has already begun.

Also as part of the contribution to rebuilding the Democratic Republic of the Congo, the directorate co-ordinated the agricultural follow-up to the presidential task team visit. Two high-level follow-up negotiations took place, focusing on institution-building and strategic planning for the new Ministry of Agriculture in that country. The rebuilding of systems and establishing policy and legislation frameworks are priority areas of collaboration critical for the effective functioning of the new Ministry. This work is ongoing and will be a priority in the next financial year.

Regarding facilitation of SADC meetings at technical and ministerial level, the directorate has prepared and co-ordinated the briefing for the delegation attending the Council of Ministers' meeting in Angola and prepared the briefing for the Minister for the Integrated Committee of Ministers meeting.

As the chair of South Africa's subcommittee of Food, Agriculture and Natural Resources (FANR), the directorate attended all interdepartmental co-ordinating committee meetings of the SADC at the Department of Foreign Affairs and assisted with the Forum for Agricultural Research in Africa (FARA) meetings.

NEPAD AND THE AFRICAN UNION

The directorate co-ordinated the department's engagement and participation in NEPAD and African Union processes and contributed to the development of NEPAD's Comprehensive African Agricultural Development (CAADP) programme as well as to the deliberations through the Interdepartmental Co-ordinating Committee of the Department of Foreign Affairs.

Lobbying for a "common" Africa position in the WTO continued while the department participated in the Extraordinary Summit of the African Union held in Tripoli, Libya, where water and agriculture as sources for sustainable development were discussed.

AFRICA BILATERAL

The co-ordination of bilateral relations with African countries to promote agricultural interests, skills sharing and information exchange continued. These included preparations for the South Africa-Tunisia and South Africa-Uganda Joint Commissions as well as for the South African and Nigerian working group meeting on agriculture, water, forestry, fisheries and the environment during the 5th Binational Commission. The progress on the implementation of the co-operation agreement signed in 2001 was reviewed at this meeting.

EUROPE AND THE AMERICAS

Relations to facilitate bilateral relations within Europe and the Americas to promote global competitiveness and co-operation in the agricultural sector are well established. Efforts are focused on maintaining, facilitating and increasing trade relations, technical assistance, mutually beneficial development co-operation, human resource development and technical assistance.

Following an agreement with Canada, collaboration with the Canadian Development Agency to facilitate training and technical assistance to beneficiaries of the Land Redistribution for Agricultural Development (LRAD) programme was initiated.

Information sharing and a first study of the Canadian Food Safety Agency was also conducted as part of the efforts to explore options for South Africa's management of food safety.

The directorate facilitated departmental participation in the South Africa-Russia Intergovernmental Committee on Trade and Economic Co-operation visit to the Russian Federation. While progress is slow because of communication difficulties, there are significant opportunities for technology, research and trade collaboration.

Collaboration with the Dutch government on a World Summit on Sustainable Development (WSSD) partnership in the sanitary and phytosanitary field continued with efforts focusing on negotiating an implementation document. The project on emerging farmer support is still being implemented at provincial level and evaluation and financial reports were being finalised.

This financial year also saw the finalisation of the terms of reference of the Pesticides Initiative programme which will establish a co-ordinating mechanism and funding for the South Africa-EU programme. The directorate led the negotiations with the union to provide capacity building for South African exporters to the EU markets to adapt to changes in pesticide legislation.

The directorate also co-ordinated the department's participation in the Brazil Bi-national Commission to strengthen bilateral agricultural relations as well as the trilateral partnership between India, Brazil and South Africa. A high-level technical visit has already taken place and will be reported on in the next period under review.

Furthermore, the directorate facilitated a high-level technical visit to the USA, aimed at re-establishing contact with the agriculture and trade administration.

South Africa's view on new food and drug administration legislation was expressed while collaboration on the training of South African sniffer dogs for airport controls, was discussed.

Several overseas training opportunities have been advertised on national and provincial level while several development co-operation projects with a number of countries in this region are also currently under consideration.

### ASIA, EAST ASIA, AUSTRALIA AND THE MIDDLE EAST

The directorate facilitated and promoted bilateral relations within Asia, East Asia, Australia and the Middle East to promote global competitiveness and co-operation in the agricultural sector. These included the visit of the agricultural delegation from Malaysia, led by their Secretary-General for Agriculture to investigate the development of South African horticultural crops. Marketing models and each country's experiences in this regard were, amongst others, discussed with the Malaysian Marketing Authority.

The government of Japan's future involvement in Southern Africa has identified agriculture and defence as priority fields of co-operation and for development assistance. Joint co-operation projects with the Japan International Co-operation Agency are being implemented at provincial level. The bilateral co-operation is being reviewed while general guidelines were submitted to the embassy regarding possible agriculture support with the Japanese Embassy submitting proposals for agricultural co-operation which are currently under consideration.

A bilateral co-operation agreement between South Africa and Indonesia has pursued and will be concluded in 2004/05.

Significant efforts have been focused on establishing a joint working group between South Africa and the Peoples Republic of China as well as to resolve the critical outstanding issues of market access for citrus and the lifting of the Chinese ban on South African meat products because of foot-and-mouth disease.

Three ministerial and technical delegations were hosted in South Africa during the reporting period, all aimed at resolving these outstanding issues. Visits to experience South Africa's existing disease management and controls and exposure to the citrus industry were organised. Progress to opening the Chinese markets for South African products is forthcoming with several significant breakthroughs expected.

### MANAGEMENT AND ADMINISTRATION OF AGRICULTURAL POSTS ABROAD

The agricultural attaches continue to play a role in the representation of South Africa's agricultural interests abroad. They liaise on a wide range of issues, e.g. in Belgium where the focus is on trade facilitation within the EU, the implementation and monitoring of the South Africa and EU trade and development co-operation agreement as well as legislation impacting on South Africa's exports. The office is increasingly involved in the WTO's negotiations with the South African delegation and co-ordinates the South African agricultural sector's interests in the EU.

The office in Rome focused on information dissemination and multilateral representation of the department's engagement with the FAO and bilateral co-operation opportunities between Italy and South Africa. An official visit to Reggio Emillio to study the co-operatives development model was also arranged and a joint co-operation reached.

In China the focus was on a range of promotion and trade facilitation opportunities, not only in China but also in the Asian region. The focus was mainly on the harmonisation of standards and regulatory requirements that would further facilitate trade in the agricultural sector and open new markets.

The USA attaché focused on trade facilitation, commodity industry engagement, the identification of opportunities in terms of the African Growth Opportunity Act and the consolidation of relations and identification of opportunities with US research agencies. A multilateral engagement with the UN and the Bretton Woods Institutions as well as the promotion of bilateral opportunities for co-operation within the US, Canada, Latin America and Cuba also received attention.

The attaché is also increasingly involved with the WTO negotiations, represented the department in the African Growth Opportunity Act review session in Mauritius and is currently engaged with Mexico on the Monterrey Bridge linkage and the follow-up to the WSSD implementations.

FOOD AND AGRICULTURE ORGANISATION

A total of 24 vacant posts in the organisation were advertised and circulated in the department.

MULTILATERAL ENGAGEMENTS

The directorate co-ordinates and facilitates the department's participation and strategic positioning in multilateral processes and intergovernmental negotiations. These include agreements and international memberships, promoting NEPAD on the multilateral agenda, strengthening the positioning of Africa multilateralism, negotiating fairer trade regimes and increased market access and the hosting of the FAO's Africa regional conference in 2004.

A highlight was South Africa's successful hosting of the FAO's 23rd Africa regional conference at the Sandton Convention Centre in Johannesburg in March 2004. A significant pre-conference programme was arranged to promote intra-African Trade, focusing on unlocking the obstacles and biotechnology for food security in Africa. Researchers, scientists and private sector participants from the continent and beyond participated.

A high-level roundtable on financing agriculture was also held, looking at implementation of the Heads of State Summit's commitment to increasing the agricultural share of national budgets to 10% over five years. Ministers of agriculture on the continent also attended to determine the priorities for the FAO's work in Africa in support of the NEPAD implementations. The framework and process for the analysis of international memberships was developed and is currently being implemented.

The department hosted a meeting of the panel of the programme against African trypanosomiasis. The meeting clarified the FAO's constitutional agreement regarding privileges and immunities to participants and staff with the South African Department of Foreign Affairs in granting these privileges and immunities.

In total the directorate facilitated 20 invitations to attend various FAO meetings.

### Intergovernmental

The directorate participated in cluster meetings, prepared briefing notes for the Director-General and Deputy Director-General on matters of departmental concern, developed the action plan for the departmental implementation of the international relations, peace and security priorities in preparation of the Cabinet Lekgotla.

Furthermore, the directorate participated in the Independent Development Corporation led by the Department of Foreign Affairs to represent agricultural sector interests. It also provided a briefing to the Parliamentary Portfolio Committee, prior to the visit to Zimbabwe and Botswana to discuss communal land rights.

The directorate guided the Department of Health in preparing a project proposal on the occurrence of ochratoxins in agricultural products, for funding by the FAO. It also convened a committee to recommend funding by the organisation for a technical co-operation programme on a strategic irrigation information monitoring system.

**tino herselman**
acting senior manager

## Grootfontein agricultural development institute

The Grootfontein Agricultural Development Institute promotes a vigorous and wealth-creating agricultural sector in the extensive sheep and goat producing areas. To achieve this, the institute is divided into two directorates, the agricultural college and the agricultural research section.

### OBJECTIVES

The objectives of the institute are to promote knowledge and skills in small-stock farming among black people, women, the youth and farmers through formal and informal training and

support to previously disadvantaged small-stock farmers to become absorbed into the mainstream of agriculture. Furthermore, the institute provides a knowledge base in support of a profitable and sustainable small-stock industry, evaluates new technology for profitable and sustainable small-stock production and enhances sustainable natural resources management and use in the small-stock producing areas.

## ACHIEVEMENTS

### Products and services

During the period under review 29 students received the Higher Certificate in Agriculture and 26 students the Diploma in Agriculture. The current curriculum is well structured for the modern demands in the small-stock industry. A modular approach was introduced whereby the curriculum is presented as separate short courses, each with its own accreditation value. The college also received full, unconditional accreditation as a tertiary education institution during the CTP/HEQC evaluation in October 2003.

The presentation of short courses gained momentum. In total, 32 courses were presented with 808 people attending, of which 66 %.was from previously disadvantaged groups.

Presentations were made at 52 information/farmers' days, attended by approximately 2 900 farmers. Approximately 46 % of all farmers attending farmers' days was from previously disadvantaged groups.

The institute's website was further developed and small stock-farmers and field workers can now access valuable and practical information for on-farm use from the "Farmer Support" section. The website address is http://gadi.agric.za.

### Programmes and projects

Good progress was made with a project to establish group-breeding schemes for woolled sheep in 16 different communities in the communal areas of the Eastern Cape. The project aims at empowering these communities to breed high-quality rams, also for neighbouring communities. The project forms part of a bigger woolled sheep improvement project of the Eastern Cape Department of Agriculture and the National Wool Growers' Association (NWGA).

A research project monitoring the impact of the NWGA woolled sheep improvement initiative was implemented. This is done through progeny tests in four communities in the communal areas as well as four commercial farms. The project, funded by the Eastern Cape Department of Agriculture and evaluated by the institute, annually provides approximately 3 000 woolled sheep rams to communal farmers.

The projects to develop and evaluate adapted sheep and goat genotypes, new sheep and goat breeding procedures, investigate reproductive failure in Angora goats and investigate problems of small-stock farmers are progressing well. The problem of predators, plaguing sheep and goat farmers, is being addressed by two research projects. Excellent co-operation and financial support were obtained from the red meat, wool and mohair industries.

Several research projects were also undertaken to enhance sustainable natural resources management and use in the small-stock producing areas. These are determining the potential of extensive rangelands, woody plant management, veld improvement and irrigated pastures.

# 9 programme planning, monitoring and evaluation

## AIM

The programme consolidates and supports strategic and operational planning, thereby facilitating the designs and application of a planning, monitoring and evaluation system to measure organisational performance against the set strategic objectives.

## PROGRAMME POLICY DEVELOPMENT

The programme consists of two directorates:

- **Project Planning** supports the department in strategic and operational planning
- **Monitoring and Evaluation** monitors and evaluates the impact of departmental policies

## KEY OUTPUTS, INDICATORS AND TARGETS

| Directorate | Output | Measure/ Indicators | Target | Status/comment |
|---|---|---|---|---|
| Project Planning | Project management framework, strategic and operational plans | Change in organisational performance as a result of timeous strategic and operational plans thereby enforcing a project management approach to all | All departmental programmes should have approved strategic and operational plans by March 2004 | Completed and approved Strategic plan Operational plans completed |
| Monitoring and Evaluation | An information tracking and monitoring system | The change in access to information to monitor service delivery | A cost-effective agricultural information tracking and monitoring system developed and used in all programmes | Terms of reference developed and approved Consultations undertaken with provinces |

### Programme overview

During the period under review the programme facilitated the review of the sector strategy and ensured that the working groups are delivering on the agreed outputs.

The facilitation of the intergovernmental fiscal review process and the relations between provincial departments of agriculture yielded good results in the sector in terms of identifying common sending pressures and common agreement on programme structures.

## Project planning

amanda shokane
senior manager

The main purpose of this directorate is to act as a centralised unit that facilitates strategic and operational planning and co-ordinates special projects.

### OBJECTIVES

The Directorate Project Planning sets up standards and procedures for project management, provides strategic and operational planning support as well as support in the implementation of standards and procedures for project management. It also ensures the implementation of the information flows within the agricultural sector, in particular the national and provincial departments of agriculture and their partners.

### ACHIEVEMENTS

#### Policy

The terms of reference were approved by the Intergovernmental Technical Committee for Agriculture (ITCA) for the acquisition and implementation of the information flows system.

#### Client interaction

The directorate interacts with the Ministry, office of the Director-General, the executive committee, directorates of the department, provincial departments of agriculture, farmer organisations, the National Treasury, public entities and other government departments in the agricultural cluster.

To assess the clients' needs and satisfaction, set meetings take place with clients to ensure a flow of communication on issues that require consultation in their respective programmes and directorates.

Contact with some external customers is via the intergovernmental relations process where provincial departments and the National Treasury are the principle customers. These meeting are held on a continuous basis.

#### Programmes and projects

Principle projects during the review year were the establishment of the project management office, compiling the strategic planning framework, consolidating the strategic planning inputs and facilitating the operational plans and the intergovernmental fiscal review process.

#### Products and services

The approved terms of reference by ITCA on the development of the information flow system was the first step towards ensuring a knowledge management system within the department and across the sector.

To ensure that information flows are facilitated throughout the sector, the directorate established a project management office. This office will operate a system that will enable the national and provincial departments of agriculture to achieve the goals set in the various strategic plans. The system will be operational in 2004.

The joint facilitation of the intergovernmental fiscal review process with provincial departments and the National Treasury yielded good results. The Comprehensive Agriculture Support Programme (CASP) was identified as a priority area and work was undertaken on on and off-farm infrastructure.

The co-ordination and consolidation of the strategic plan inputs from various programmes has been successful in producing a final comprehensive and substantive plan. The strategic planning framework document, drafted in line with the government-wide annual planning framework, will enable standardised planning.

## Monitoring and evaluation

The Directorate Monitoring and Evaluation will be established in the 2004/05 financial year.

# report of the audit committee

Report of the Audit Committee for the year ended 31st March 2004

The committee was constituted in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) and had two external members. During the year under review the committee held several meetings to review the progress of the internal audit component in respect of the annual internal audit plan and direct the component in achieving its objectives.

The committee, amongst others, monitored the following:

- Compliance with the internal audit charter;
- Compliance with the requirements of the PFMA;
- The audit risk assessment and internal audit plan of the department;
- Interacted with the external auditors to ensure that value was received from the audit and that greater reliance could be placed on the work of the internal component by having constructive input from the external auditors on the work of the internal audit component. The working relationship going forward was beneficial in making the audits cost effective and efficient;
- Internal controls were adequate to protect the assets of the organization;
- That the system of internal control ensured that transactions were recorded in the correct periods; and
- That all internal audit reports reflected the result of the findings of the audit that action was taken where people had transgressed and that the recommendations for improvement and where necessary for the prevention of fraud were communicated to the Accounting Officer.

The committee reviewed the annual financial statements and accounting policies and engaged the department and external auditors on the management letter. The committee examined the issues raised by the Auditor General and ensured they fairly reflected the position and that management took cognizance of the issues and recommendations. The auditors report was reviewed and the Committee concurs with the views expressed.

The problems previously identified with the Agricultural Debt Account have been resolved however we must concur with the Auditor General that the software utilized for the Agricultural Debt Account is in the process becoming obsolete and may not deliver the results required in the future.

**MS. F.N. MSIMANG**
**CHAIRPERSON**

# annual financial statements

# annual financial statements

## for the year ended 31 MARCH 2004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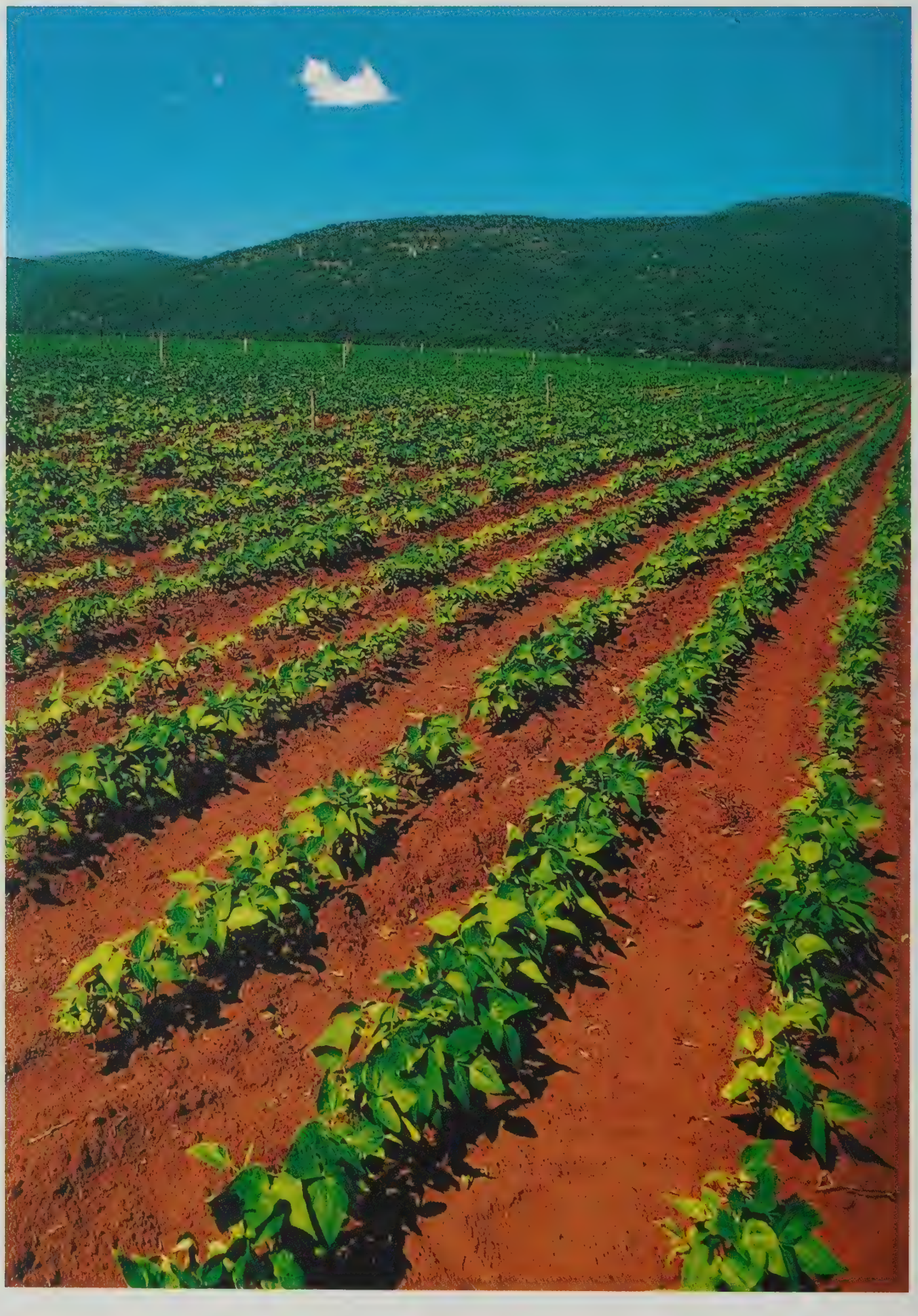


**DEPARTMENT OF AGRICULTURE**
**VOTE 26**

**MANAGEMENT REPORT**
**for the year ended 31 MARCH 2004**

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

## 1. General review of the state of financial affairs

| | | R'000 | R'000 |
|---|---|---|---|
| 1.1 | Budget allocation | | |
| | Main estimate | | 1 072 199 |
| | *Plus*: Adjustments estimate | | 177 903 |
| | Total amount appropriated | | 1 250 102 |
| | *Less*: Actual expenditure | | 1 177 290 |
| | Surplus | | 72 812 |
| 1.2 | Actual expenditure | | |
| | • In terms of input cost: | | |
| | Personnel expenditure | 276 596 | |
| | Administrative expenditure | 100 958 | |
| | Inventories | 34 613 | |
| | Equipment | 42 956 | |
| | Land and buildings | 19 567 | |
| | Professional and special services | 84 564 | |
| | Transfer payments | 602 459 | |
| | Miscellaneous | 14 600 | |
| | Special functions | 977 | 1 177 290 |
| | • In terms of programmes: | | |
| | Programme 1: Administration | 157 100 | |
| | Programme 2: Farmer support and development | 282 007 | |
| | Programme 3: Agricultural trade and business development | 22 537 | |
| | Programme 4: Economic research and analysis | 13 430 | |
| | Programme 5: Agricultural production | 7 153 | |
| | Programme 6: Sustainable resources management and use | 431 871 | |
| | Programme 7: National agricultural regulatory services | 180 349 | |
| | Programme 8: Communication and information management | 80 597 | |
| | Programme 9: Programme planning, monitoring and evaluation | 1 269 | |
| | Special functions | 977 | 1 177 290 |

| | | R'000 | R'000 |
|---|---|---|---|
| • | In terms of economic classification: | | |
| | Current expenditure | 494 115 | |
| | Capital expenditure | 80 716 | |
| | Current transfers | 575 412 | |
| | Capital transfers | 27 047 | 1 177 290 |

| 1.3 | Spending trends | 2003/04 | 2002/03 |
|---|---|---|---|
| • | In terms of input cost as a percentage of total actual expenditure: | | |
| | Personnel expenditure | 23,5% | 27,1% |
| | Administrative expenditure | 8,6% | 8,9% |
| | Inventories | 2,9% | 3,6% |
| | Equipment | 3,7% | 4,9% |
| | Land and buildings | 1,7% | 2,7% |
| | Professional and special services | 7,2% | 9,9% |
| | Transfer payments | 51,2% | 42,9% |
| | Miscellaneous | 1,2% | - |
| | Special functions | - | - |
| • | In terms of programmes as a percentage of total actual expenditure: | | |
| | Programme 1: Administration | 13,3% | 16,1% |
| | Programme 2: Farmer support and development | 24,0% | 13,3% |
| | Programme 3: Agricultural trade and business development | 1,9% | 1,5% |
| | Programme 4: Economic research and analysis | 1,2% | 1,6% |
| | Programme 5: Agricultural production | 0,6% | - |
| | Programme 6: Sustainable resources management and use | 36,7% | 43,2% |
| | Programme 7: National agricultural regulatory services | 15,3% | 16,5% |
| | Programme 8: Communication and information management | 6,9% | 7,8% |
| | Programme 9: Programme planning, monitoring and evaluation | 0,1% | - |
| | Special functions | - | - |
| • | In terms of total actual spending as a percentage of the total appropriated amount: | 94,2% | 98,1% |

- If specific services rendered by the Department are analysed in terms of actual spending, the following spending trends come to the fore: Water use and irrigation development amounted to R45,1 million or 3,8%; land use and soil management to R39,9 million or 3,4%; animal health to R72,4 million or 6,2%; import/export control to R68,1 million or 5,8%; LandCare to R36,4 million or 3,1%; membership fees to international organisations to R21,1 million or 1,8%; Agricultural Research Council to R309,0 million or 26,2%; National Agricultural Marketing Council to R10,1 million or 0,9%; disaster management to R244,8 million or 20,8% and capital works to R19,5 million or 1,7%.

1.4 Underspending

An amount of R72,8 million or 5,8% of the total appropriation of R1 250,1 million was not spent by the Department. The underspending can be attributed to certain capital works projects not completed on time, vacancies not filled timeously (Resolution 7 of 2002 was only terminated on 12 September 2003), which also had a carry through effect on expenditure items such as administration, inventories and equipment. The extent of the Foot and Mouth combating was less than originally estimated by the Department, resulting in a saving of R11,6 million. Both Programme 5: Agricultural Production and Programme 9: Programme Planning, Monitoring and Evaluation are new programmes in the process of being phased in and spending was less than planned for.

1.5 Departmental receipts

In the Estimates of National Expenditure for 2003/04, the Department provided for departmental receipts to the amount of R78,1 million. However, an amount of R234,3 million was received during that financial year. The deviation of R156,2 million is mainly the result of an amount of R100,0 million paid back by the Land Bank because of less funds needed for flood disaster assistance as well as R8,9 million received from an auction and agricultural debt to the amount of R56,1 million taken over by the Agricultural Debt Account.

**2. Public Entities**

In terms of section 48(1) and Schedules 2 and 3 of the Public Finance Management Act, 1999 (Act 1 of 1999), the Public Entities that function within the sphere of the Department, are classified as follows:

- Land and Agricultural Bank of South Africa (Major public entity and listed in Schedule 2).
- Agricultural Research Council (ARC) (National public entity and listed in Schedule 3).
- National Agricultural Marketing Council (NAMC) (National public entity and listed in Schedule 3).

- Perishable Products Export Control Board (PPECB) (National public entity and listed in Schedule 3).
- Onderstepoort Biological Products Ltd (OBP) (National Government business enterprise and listed in Schedule 3).
- Ncera Farms (Pty) Ltd (National Government business enterprise and listed in Schedule 3).

Transfer payments made:

| Entity | Budget R'000 | Actual R'000 |
|---|---|---|
| Land Bank | - | - |
| ARC | 309 013 | 309 013 |
| NAMC | 10 109 | 10 109 |
| PPECB | - | - |
| OBP | - | - |
| Ncera Farms | 1 585 | 1 585 |

## 3. Performance information

As was mentioned in the previous Annual Report, the Accounting Officer implemented a process whereby programme and senior managers report on a quarterly basis on progress made against targets taken up in the relevant Strategic Plan and Estimate of National Expenditure. This information is taken up in Part 2 of the Annual Report.

## 4. Activities undertaken by the Department

4.1 Activities discontinued at the end of 2003/04

4.1.1 Acquisitioning of a building that was not finalised before the end of the 2003/04 financial year.

4.1.2 The Disaster Drought Relief Scheme of 2000 as well as drought relief interventions came to an end at 31 March 2004.

4.1.3 Food security: The allocation for this activity from the National Treasury has ceased.

The discontinuation of the above activities will not effect the operations of the Department. With regard to paragraph 4.1.2, it must be mentioned that disasters are managed on an *ad hoc* basis and will be addressed in future when necessary. As far as food security is concerned, this important function continues within the broad activities of the Department and specifically that of Programme 2.

## 5. Corporate governance arrangements

The Minister of Agriculture approved a revised organisational structure for the Department during June 2004. This has been done to achieve the revised goals and values of the Department.

Risk assessment was also revised and updated by the Internal Audit Unit in co-operation with senior managers. Risk management schedules were compiled indicating the identified risks and the internal controls implemented to manage these risks. The Departmental Management Committee discusses risk identification and management during the Quarterly Review Meetings and relevant decisions are communicated to all officials.

In terms of the provisions of the Public Finance Management Act, 1999, the Audit Committee comprises of three members of which two, including the Chairperson, are from outside the public service and one member from within.

## 6. Financial management

Ongoing financial management improvement during 2003/04 includes:

- Revised Departmental Financial Instructions:
  - A revised chapter (6) on cellphones, streamlining the administration thereof and the claims process;
  - a new chapter (15) on transport including a parking policy, replacing the Departmental Transport Manual;
  - a chapter (16) on accommodation, streamlining the provision and management thereof;
  - a chapter (17) on gifts, donations and sponsorships, managing all possible aspects thereof, but still according to the relevant Treasury Regulations; and
  - a revised chapter (18) on financial misconduct.

## 7. Agricultural debt

### 7.1 General

As was mentioned in the previous report the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001), was implemented on 1 April 2003. According to the Act, agricultural debt is defined as any amount contractually or statutorily owed to the State as a result of assistance, loans or subsidised interest rates in terms of

the provisions of the Agricultural Credit Act, 1966 (Act No. 28 of 1966), and other related legislation or financial assistance schemes. Agricultural debt is thus managed in accordance with the provisions of the Act and the debt management frameworks.

7.2 Agricultural Debt Account

In terms of section 3(1) of the Agricultural Debt Management Act, 2001, the Agricultural Credit Account continues to exist despite the repeal of the Agricultural Credit Act, 1966, and is now known as the Agricultural Debt Account. Payments that resulted from the recovery of agricultural debt are deposited into this Account. Funds in the Account are disbursed in accordance with the provisions of section 8 of the above-mentioned Act. The status of the account as at 31 March 2004 is as follows:

| | | |
|---|---|---|
| Total debt outstanding | R | 717 519 584 |
| Number of debtors | | 4 540 |
| Number of accounts | | 6 921 |
| Net amount recovered (2003/04) | R | 87 028 078 |
| Balance available | R | 1 028 801 093 |

7.3 According to the aforementioned Act, agricultural debt consists of debt that resulted from loan assistance to farmers and prospective farmers granted by the former Agricultural Credit Board for payment of debt, construction of improvements, purchase of farms, farming equipment and production inputs and furthermore, other debt that resulted from other financial assistance schemes with regard to the Production Loan Scheme for Small and Beginner Farmers and multiple debt that resulted from the implementation of certain subsidy schemes. The Act aims to rationalise and consolidate various remaining legislation that deals with agricultural debt in its various forms. To this end, during the 2003/04 financial year, agricultural debt which was not previously accounted for in the Agricultural Debt Account was transferred to the Account and thus consolidating all outstanding agricultural debt.

7.4 Following from previous reports the status of the Production Loan Scheme for Small and Beginner Farmers and multiple debt is again reported on:

7.4.1 Production Loan Scheme for Small and Beginner Farmers

7.4.1.1 Agribank

The State Attorney was requested on 31 August 1999 to recover the outstanding debt, which amounted to R16 895 533 (capital) and R10 355 919 (interest) on 31 March 2004. As Agribank defaulted on a resultant offer, the State Attorney was requested to institute legal action. However, Agribank made an offer in full and final settlement on 14 October 2003 to depositors and creditors in terms of which the Department as a concurrent creditor will be paid an amount of approximately 49,6 cent in the rand. Approval was granted on 30 October 2003 under Delegation 25 of the Act to accept a resultant amount of R13 740 660 in full and final settlement of the State Assisted Production Loan Scheme debt and to write off an amount of R14 725 633 plus interest at 14% per annum from 1 November 2003. This decision was taken in terms of Treasury Regulation 11.4.1(b)(iii) read with Departmental Financial Instruction 26.2.3.9 as the settlement of the claim will be in the best interest of the State. Agribank and its creditors entered into a Deed of Settlement, which was signed by the Department on 13 February 2004. In terms of this Deed, payments will be made in three phases, the first which was received on 5 March 2004 amounting to R1 013 946. In order to wind up the business of Agribank a trust was formed on 29 March 2004 with the Department as a trustee to implement and administer the Agribank Distribution Scheme in terms of the Deed of Settlement.

7.4.1.2 Grovida

The State Attorney was requested on 29 April 1999 to take steps to recover the outstanding debt, which amounted to R1 030 321 (capital) and R293 774 (interest) on 31 March 2004. In terms of a resultant offer, total payments of R521 500 were received. However, as Grovida defaulted on this resultant offer, the matter is currently with the State Attorney.

7.4.1.3 Bakgaga Bakopa

The State Attorney was requested on 7 September 1999 to take steps to recover the outstanding debt, which amounted to R728 585 (capital) and R700 066 (interest) on 31 March 2004. The matter is currently with the State Attorney.

7.4.1.4 Shiela Primary Co-op

The Co-operative is under liquidation. At 31 March 2004 the outstanding debt amounted to R970 547 (capital) and R960 116 (interest). The liquidator is in process to finalise the matter.

7.4.1.5 Central Primary Co-operative (CPAC)

The State Attorney was requested on 29 June 1999 to assist with the recovery of the outstanding debt, which amounted to R3 600 000 (capital) and R3 600 000 (interest) on 31 March 2004. In respect of the 1994 production loan debt which was taken over by CPAC, the outstanding debt amounted to R3 079 640 (capital) and R2 937 928 (interest) on 31 March 2004. As the option of judicial management in terms of section 237(A) of the Co-operatives Act, 1981 (Act No. 91 of 1981), did not materialise the matter is currently with the State Attorney.

7.4.1.6 Saron

The Co-operative is under liquidation. At 31 March 2004 the outstanding debt amounted to R737 600 (capital) and R731 901 (interest). The liquidator is in process to finalise the matter.

7.4.1.7 Production loans (administrative costs)

The outstanding amount originated from over payments of administration fees to agents managing the loan schemes as mentioned above (excluding CPAC). On 31 March 2004 the outstanding debt amounted to R7 735 955; R3 868 591 (capital) and R3 867 364 (interest).

7.4.2 Multiple debt

7.4.2.1 Water quota subsidies

The debt originated from the overpayment of subsidies. During the financial year the debt regarding the remaining two cases was written off, as the debtors were insolvent. This matter has thus been finalised and will not be reported on again.

7.4.2.2 Conversion of marginal ploughed lands

This debt originated from the non-compliance by the participants with the conditions of the Scheme. In terms of the conditions of the scheme successful establishment of perennial pastures must be achieved within two seasons and thereafter maintained for at least six years failing which the subsidy plus interest has to be repaid immediately. Due to severe drought many of the participants were unable to comply with the conditions. It is likely that most of the debt will be written off based on viz major, insolvency or prescription whilst other cases are still with the State Attorney for the recovery of the debt. On 31 March 2004 the outstanding debt under this scheme amounted to R245 148 in comparison with R587 611 as on 31 March 2003.

7.4.2.3 Emergency drought relief and interim veld recovery

This debt originated from the non-compliance by the participants with the prescripts of the Scheme. The State Attorney is in process of recovering the outstanding debt amounting to R80 443 on 31 March 2004.

7.4.2.4 Farm labourer housing subsidy

This debt originated from the non-adherence by participants to the conditions of the Scheme. The State Attorney is in the process of recovering the outstanding debt. On 31 March 2004 the outstanding debt amounted to R185 971.

7.4.2.5 Flood damage

This debt originated from the non-adherence to the conditions of the Scheme. The only debtor has since died but the estate has not been finalised yet. On 31 March 2004 the outstanding debt amounted to R40 000.

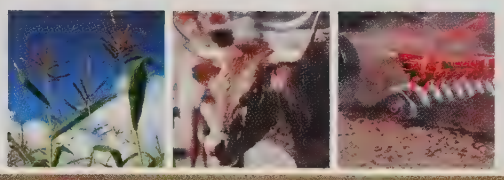
7.4.2.6 Input subsidy

This debt has been paid in full during the financial year and will thus not be reported on again.

## Approval

The Annual Financial Statements set out on pages 164 to 208 have been approved by the acting Chief Financial Officer on behalf of the Accounting Officer and in terms of delegations granted.

**T Marais**
**for DIRECTOR-GENERAL**
**31 May 2004**



AUDITOR-GENERAL

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF AGRICULTURE – VOTE 26 FOR THE YEAR ENDED 31 MARCH 2004

### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 164 to 200, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### 2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

### 3. AUDIT OPINION

In my opinion the financial statements fairly present, in all material respects, the financial position of the Department of Agriculture at 31 March 2004 and the results of its operations and cash flows for the year

then ended, in accordance with the prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended.

## 4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

### 4.1 Assets

The fixed assets additions of R14,5 million as disclosed in Annexure 4 differs from the capital expenditure as per the Income Statement. This is mainly due to non-asset purchases that have been included in the income statement amounts. The department has reconciled the differences but it has not as yet updated LOGIS.

### 4.2 Non-compliance with policies, procedures and standing instructions

Internal audit reported various cases where assets could not be physically verified or traced to the asset register at certain regional offices. This was due mainly to policies and procedures not being followed.

### 4.3 Non-compliance with Treasury Regulations

Certain tariffs for services rendered were not published in the Government Gazette and implemented timeously due to negotiations with stakeholders not being finalised when preparing and submitting the department's budget to National Treasury.

### 4.4 Non-compliance with Public Service Regulations

The Public Service Regulations were not complied with as forty-nine casual workers were employed for terms longer than the maximum period allowed. No contracts of employment were concluded for these casual workers.

## 5. APPRECIATION

The assistance rendered by the staff of the Department of Agriculture during the audit is sincerely appreciated.

S A Fakie
Auditor-General
Pretoria
29/07/2003

AUDITOR-GENERAL

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AGRICULTURAL DEBT ACCOUNT FOR THE PERIOD 18 MARCH 2003 TO 31 MARCH 2004

### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 201 to 208, for the period 18 March 2003 to 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 6(1)(2) of the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### 2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

## 3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Agricultural Debt Account for the period 18 March 2003 to 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999).

## 4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matter:

### 4.1 Debtors system

The following shortcomings were identified on the Debtors system:

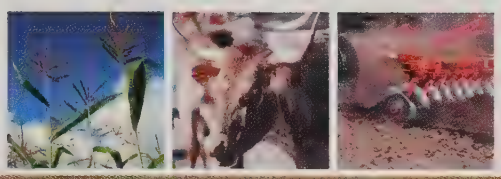
- The system is purely a debt recovery system and as such does not maintain a general ledger or a trial balance which are prepared manually.
- The debtors aging analysis produced by the system does not provide sufficient management information to manage and monitor arrears.

The department is assessing the possibility of enhancing the debtors system or replacing the system with a proper accounting system.

## 5. APPRECIATION

The assistance rendered by the staff of the Agricultural Debt Account during the audit is sincerely appreciated.

S A Fakie
Auditor-General
Pretoria
29/07/2003



## NATIONAL DEPARTMENT OF AGRICULTURE
## VOTE 26

## STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
## for the year ended 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

### 1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

### 2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National Expenditure. Unexpended voted funds are surrendered to the National Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognized as revenue in the financial statements of the department and then transferred to the National Revenue Fund.

### 3. Donor aid

Donor aid is recognised in the income statement in accordance with the cash basis of accounting.

NATIONAL DEPARTMENT OF AGRICULTURE
VOTE 26

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 MARCH 2004

**4. Current expenditure**

Current expenditure is recognised in the income statement when the payment is made.

**5. Unauthorised, irregular and fruitless and wasteful expenditure**

Unauthorised expenditure means:

- The overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- The Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

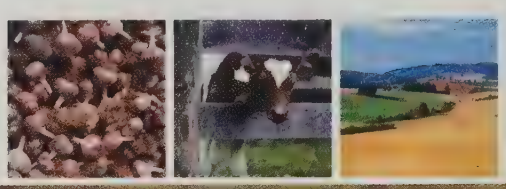
Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

## 6. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts. Irrecoverable debts are written off according to the following approved write-off policy:

(a) The debtor has neither assets nor income; or
(b) all reasonable efforts to trace the debtor have failed; or
(c) the State's claim against an insolvent estate or an estate that was administered as insolvent -
- had been proved properly and insufficient or no dividends were awarded to meet the debt; or
- was not proved owing to a danger of contribution or because no dividends were available for distribution; or

(d) on account of the weak financial position of an estate, the danger exists that if the debt is proved, a contribution will have to be paid to the estate; or
(e) there is no possibility now or in the foreseeable future of collection; or
(f) the debtor is no longer a resident in South Africa, there are no apparent means of collecting the debt and there is no evidence that the debtor will return to South Africa; or
(g) the debtor is deceased and there is no known estate; or
(h) the debtor or his dependants would be deprived of the minimum essential means of livelihood; or
(i) the assets of the debtor or of the estate of the debtor are indispensable to the debtor's dependants or are of relatively little value; or
(j) the settlement of the claim of the State will be in the best interest of the State; or
(k) the State Attorney/Head: Legal Services/Public Protector has made a recommendation to that effect and the Department is in agreement therewith; or
(l) the amount outstanding represents the outstanding balance on the account after payment for the initial service was made and of which further recovery is deemed to be uneconomical; or
(m) in other circumstances the Assistant Director-General: Financial Management approves.





## 7. Capital expenditure

Expenditure for physical items on hand on 31 March 2004, to be consumed in the following financial year, is written off in full when they are paid and are accounted for as expenditure in the income statement.

## 8. Investments

Non-current investments are shown at cost and adjustments are made only where in the opinion of the accounting officer, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

## 9. Investment in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

## 10. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

## 11. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the National Revenue Fund or another party.

## 12. Provisions

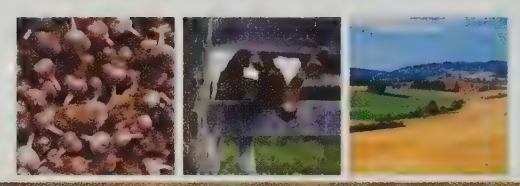
A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

## 13. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statements as the financial statements are prepared on the cash basis of accounting.

## 14. Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at the reporting date, **OR** an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.





## 15. Employee benefits

*Short-term employee benefits*

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

*Termination benefits*

Termination benefits are recognised and expensed only when the payment is made.

*Retirement benefits*

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions (15% of the basic salary of an employee) to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Contract workers, however, who prefer not to be members of the Government Pension Fund, receive a cash amount equal to 30% of their basic salary that includes a government contribution for retirement benefits.

*Medical benefits*

The department provides medical benefits for all employees through defined benefit plans. These benefits are funded by the employer (two thirds of an employee's monthly contribution but limited to R1 014 per month) and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department. In the case of members of the Senior Management Service, members contribute two thirds of their total monthly contribution from the flexible portion and one third from the basic salary of a member's annual remuneration package to a medical aid scheme.

Contract workers, however, who prefer to provide for their own medical aid, receive a cash amount equal to 30% of their basic salary that includes a government contribution for medical benefits.

Post retirement medical benefits for retired members are expensed when the payment is made to the fund.

**16. Capitalisation reserve**

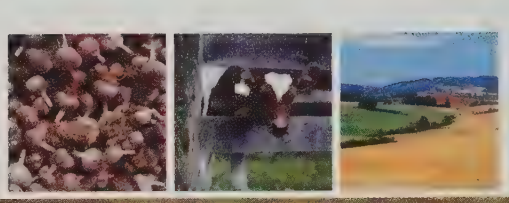
The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

**17. Recoverable revenue**

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the National Revenue Fund as and when the repayment is received.

**18. Comparative figures**

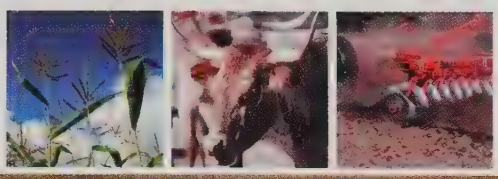
Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.



# DEPARTMENT OF AGRICULTURE
# VOTE 26

## APPROPRIATION STATEMENT
## for the year ended 31 MARCH 2004

| Programme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| 1. **Administration** | | | | | | | | |
| Current | 122 567 | 187 | 122 754 | 121 943 | 811 | 99.3% | 113 779 | 111 525 |
| Capital | 34 851 | 3 852 | 38 703 | 35 156 | 3 547 | 90.8% | 38 468 | 36 180 |
| | 157 418 | 4 039 | 161 457 | 157 099 | 4 358 | 97.3% | 152 247 | 147 705 |
| 2. **Farmer support and development** | | | | | | | | |
| Current | 290 791 | (4 203) | 286 588 | 279 922 | 6 666 | 97.7% | 36 528 | 36 174 |
| Capital | 1 605 | 1 771 | 3 376 | 2 085 | 1 291 | 61.8% | 87 259 | 85 647 |
| | 292 396 | (2 432) | 289 964 | 282 007 | 7 957 | 97.3% | 123 787 | 121 821 |
| 3. **Agricultural trade and business development** | | | | | | | | |
| Current | 36 700 | (1 145) | 35 555 | 21 988 | 13 567 | 61.8% | 20 766 | 13 647 |
| Capital | 680 | 28 | 708 | 549 | 159 | 77.5% | 757 | 253 |
| | 37 380 | (1 117) | 36 263 | 22 537 | 13 726 | 62.1% | 21 523 | 13 900 |
| 4. **Economic research and analysis** | | | | | | | | |
| Current | 19 271 | (918) | 18 353 | 13 037 | 5 316 | 71.0% | 17 814 | 13 557 |
| Capital | 783 | 18 | 801 | 393 | 408 | 49.1% | 855 | 432 |
| | 20 054 | (900) | 19 154 | 13 430 | 5 724 | 70.1% | 18 669 | 13 989 |
| 5. **Agricultural production** | | | | | | | | |
| Current | 8 854 | (334) | 8 520 | 6 376 | 2 144 | 74.8% | 1 325 | 343 |
| Capital | 517 | 334 | 851 | 777 | 74 | 91.3% | 213 | 56 |
| | 9 371 | - | 9 371 | 7 153 | 2 218 | 76.3% | 1 538 | 399 |
| 6. **Sustainable resources management and use** | | | | | | | | |
| Current | 391 859 | (10 451) | 381 408 | 376 110 | 5 298 | 98.6% | 343 848 | 343 013 |
| Capital | 57 645 | 2 726 | 60 371 | 55 761 | 4 610 | 92.4% | 54 211 | 53 237 |
| | 449 504 | (7 725) | 441 779 | 431 871 | 9 908 | 97.8% | 398 059 | 396 250 |
| 7. **National agricultural regulatory services** | | | | | | | | |
| Current | 187 624 | 499 | 188 123 | 169 604 | 18 519 | 90.2% | 142 250 | 140 284 |
| Capital | 10 308 | 1 601 | 11 909 | 10 745 | 1 164 | 90.2% | 13 595 | 10 925 |
| | 197 932 | 2 100 | 200 032 | 180 349 | 19 683 | 90.2% | 155 845 | 151 209 |
| 8. **Communication and information management** | | | | | | | | |
| Current | 78 217 | 5 458 | 83 675 | 78 591 | 5 084 | 93.9% | 69 367 | 69 165 |
| Capital | 2 558 | - | 2 558 | 2 007 | 551 | 78.5% | 3 131 | 2 423 |
| | 80 775 | 5 458 | 86 233 | 80 598 | 5 635 | 93.5% | 72 498 | 71 588 |
| 9. **Programme planning, monitoring and evaluation** | | | | | | | | |
| Current | 5 002 | (717) | 4 285 | 979 | 3 306 | 22.8% | - | - |
| Capital | 270 | 317 | 587 | 290 | 297 | 49.4% | - | - |
| | 5 272 | (400) | 4 872 | 1 269 | 3 603 | 26.0% | - | - |
| 10. **Special functions** | | | | | | | | |
| Current | - | 977 | 977 | 977 | - | 100.0% | 412 | 412 |
| **Total** | 1 250 102 | - | 1 250 102 | 1 177 290 | 72 812 | 94.2% | 944 578 | 917 273 |
| **Reconciliation with Income Statement** | | | | | | | | |
| Plus: Local and foreign aid assistance (incl. RDP funds) | | | 498 | 498 | | | - | 75 |
| Other receipts | | | 235 529 | - | | | 67 184 | - |
| **Actual amounts per Income Statement** | | | 1 486 129 | 1 177 788 | | | 1 011 762 | 917 348 |



# DEPARTMENT OF AGRICULTURE
# VOTE 26

## APPROPRIATION STATEMENT
## for the year ended 31 MARCH 2004

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 293 148 | (13 572) | 279 576 | 265 806 | 13 770 | 95.1% | 244 202 | 239 121 |
| Transfer payments | 567 663 | 10 000 | 577 663 | 575 412 | 2 251 | 99.6% | 291 179 | 291 149 |
| Other | 280 074 | (7 075) | 272 999 | 228 309 | 44 690 | 83.6% | 210 708 | 197 850 |
| **Capital** | | | | | | | | |
| Transfer payments | 27 047 | - | 27 047 | 27 047 | - | 100.0% | 102 000 | 102 000 |
| Acquisition of capital assets | 82 170 | 10 647 | 92 817 | 80 716 | 12 101 | 87.0% | 96 489 | 87 153 |
| **Total** | 1 250 102 | - | 1 250 102 | 1 177 290 | 72 812 | 94.2% | 944 578 | 917 273 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 303 571 | (13 204) | 290 367 | 276 596 | 13 771 | 95.3% | 253 909 | 248 823 |
| Administrative | 119 409 | 2 047 | 121 456 | 100 958 | 20 498 | 83.1% | 87 319 | 81 817 |
| Inventories | 36 281 | 1 478 | 37 759 | 34 613 | 3 146 | 91.7% | 34 506 | 32 906 |
| Equipment | 35 950 | 13 147 | 49 097 | 42 956 | 6 141 | 87.5% | 54 371 | 45 120 |
| Land and buildings | 24 340 | (2 386) | 21 954 | 19 567 | 2 387 | 89.1% | 24 267 | 24 253 |
| Professional and special services | 121 241 | (12 059) | 109 182 | 84 564 | 24 618 | 77.5% | 96 556 | 90 742 |
| Transfer payments | 594 710 | 10 000 | 604 710 | 602 459 | 2 251 | 99.6% | 393 179 | 393 149 |
| Miscellaneous | 14 600 | - | 14 600 | 14 600 | - | 100.0% | 122 | 114 |
| Special functions | - | 977 | 977 | 977 | - | 100.0% | 349 | 349 |
| **Total** | 1 250 102 | - | 1 250 102 | 1 177 290 | 72 812 | 94.2% | 944 578 | 917 273 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 1
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **1.1 Minister** | | | | | | | | |
| Current | 776 | 146 | 922 | 921 | 1 | 99.9% | 826 | 825 |
| **1.2 Deputy Minister** | | | | | | | | |
| Current | 632 | 104 | 736 | 736 | - | 100.0% | 658 | 657 |
| **1.3 Management** | | | | | | | | |
| Current | 27 613 | (658) | 26 955 | 26 500 | 455 | 98.3% | 23 108 | 22 316 |
| Capital | 779 | 206 | 985 | 877 | 108 | 89.0% | 1 286 | 1 000 |
| **1.4 Corporate services** | | | | | | | | |
| Current | 93 546 | 595 | 94 141 | 93 786 | 355 | 99.6% | 89 187 | 87 726 |
| Capital | 9 732 | 6 131 | 15 863 | 14 811 | 1 052 | 93.4% | 12 987 | 10 986 |
| **1.5 Capital works** | | | | | | | | |
| Capital | 24 340 | (2 485) | 21 855 | 19 468 | 2 387 | 89.1% | 24 195 | 24 195 |
| **Total** | 157 418 | 4 039 | 161 457 | 157 099 | 4 358 | 97.3% | 152 247 | 147 705 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 81 499 | (1 530) | 79 969 | 79 892 | 77 | 99.9% | 78 393 | 77 195 |
| Transfer payments | - | - | - | - | - | - | 1 550 | 1 520 |
| Other | 41 068 | 1 717 | 42 785 | 42 050 | 735 | 98.3% | 33 836 | 32 810 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 34 851 | 3 852 | 38 703 | 35 157 | 3 546 | 90.8% | 38 468 | 36 180 |
| **Total** | 157 418 | 4 039 | 161 457 | 157 099 | 4 358 | 97.3% | 152 247 | 147 705 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 81 499 | (1 530) | 79 969 | 79 892 | 77 | 99.9% | 78 393 | 77 195 |
| Administrative | 15 003 | 2 936 | 17 939 | 17 801 | 138 | 99.2% | 15 606 | 15 268 |
| Inventories | 5 809 | 3 062 | 8 871 | 8 509 | 362 | 95.9% | 4 549 | 4 441 |
| Equipment | 10 511 | 6 337 | 16 848 | 15 689 | 1 159 | 93.1% | 14 273 | 11 985 |
| Land and buildings | 24 340 | (2 485) | 21 855 | 19 468 | 2 387 | 89.1% | 24 195 | 24 195 |
| Professional and special services | 20 256 | (4 281) | 15 975 | 15 740 | 235 | 98.5% | 13 681 | 13 108 |
| Transfer payments | - | - | - | - | - | - | 1 550 | 1 520 |
| Miscellaneous | - | - | - | - | - | - | - | (7) |
| **Total** | 157 418 | 4 039 | 161 457 | 157 099 | 4 358 | 97.3% | 152 247 | 147 705 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 2
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **2.1 Management** | | | | | | | | |
| Current | 919 | (10) | 909 | 853 | 56 | 93.8% | 715 | 586 |
| Capital | 12 | 10 | 22 | 22 | - | 100.0% | 57 | 44 |
| **2.2 Farmer settlement** | | | | | | | | |
| Current | 24 284 | (11 755) | 12 529 | 9 514 | 3 015 | 75.9% | 10 249 | 10 153 |
| Capital | 68 | 1 511 | 1 579 | 1 550 | 29 | 98.2% | 78 | 61 |
| **2.3 Financial services and cooperatives** | | | | | | | | |
| Current | 8 706 | (102) | 8 604 | 6 102 | 2 502 | 70.9% | 5 950 | 5 832 |
| Capital | 208 | 250 | 458 | 160 | 298 | 34.9% | 428 | 318 |
| **2.4 Food security and rural development** | | | | | | | | |
| Current | 14 955 | - | 14 955 | 14 777 | 178 | 98.8% | 11 346 | 11 343 |
| Capital | 830 | - | 830 | 146 | 684 | 17.6% | 1 501 | 115 |
| **2.5 Agricultural risk and disaster management** | | | | | | | | |
| Current | 238 690 | 8 255 | 246 945 | 246 604 | 341 | 99.9% | 8 268 | 8 260 |
| Capital | 280 | - | 280 | 165 | 115 | 58.9% | 85 195 | 85 109 |
| **2.6 Registrar of co-operatives** | | | | | | | | |
| Current | 3 237 | (591) | 2 646 | 2 072 | 574 | 78.3% | - | - |
| Capital | 207 | - | 207 | 42 | 165 | 20.3% | - | - |
| **Total** | 292 396 | (2 432) | 289 964 | 282 007 | 7 957 | 97.3% | 123 787 | 121 821 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 17 887 | (4 784) | 13 103 | 10 584 | 2 519 | 80.8% | 9 256 | 9 142 |
| Transfer payments | 237 023 | 10 000 | 247 023 | 246 757 | 266 | 99.9% | 1 565 | 1 565 |
| Other | 35 881 | (9 419) | 26 462 | 22 581 | 3 881 | 85.3% | 25 707 | 25 467 |
| **Capital** | | | | | | | | |
| Transfer payments | - | - | - | - | - | - | 85 000 | 85 000 |
| Acquisition of capital assets | 1 605 | 1 771 | 3 376 | 2 085 | 1 291 | 61.8% | 2 259 | 647 |
| **Total** | 292 396 | (2 432) | 289 964 | 282 007 | 7 957 | 97.3% | 123 787 | 121 821 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 17 887 | (4 784) | 13 103 | 10 584 | 2 519 | 80.8% | 9 256 | 9 142 |
| Administrative | 5 826 | (398) | 5 428 | 4 031 | 1 397 | 74.3% | 2 245 | 2 186 |
| Inventories | 661 | 436 | 1 097 | 717 | 380 | 65.4% | 651 | 594 |
| Equipment | 1 605 | 1 771 | 3 376 | 2 085 | 1 291 | 61.8% | 2 259 | 647 |
| Professional and special services | 29 394 | (9 457) | 19 937 | 17 833 | 2 104 | 89.4% | 22 811 | 22 687 |
| Transfer payments | 237 023 | 10 000 | 247 023 | 246 757 | 266 | 99.9% | 86 565 | 86 565 |
| **Total** | 292 396 | (2 432) | 289 964 | 282 007 | 7 957 | 97.3% | 123 787 | 121 821 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 3
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **3.1 Management** | | | | | | | | |
| Current | 977 | 200 | 1 177 | 1 037 | 140 | 88.1% | 992 | 793 |
| Capital | 10 | - | 10 | - | 10 | - | 78 | 12 |
| **3.2 Agri-business promotion and industry relations** | | | | | | | | |
| Current | 8 320 | (1 117) | 7 203 | 2 444 | 4 759 | 33.9% | 3 695 | 1 655 |
| Capital | 279 | - | 279 | 194 | 85 | 69.5% | 162 | 25 |
| **3.3 Domestic marketing** | | | | | | | | |
| Current | 9 675 | (181) | 9 494 | 2 557 | 6 937 | 26.9% | 4 426 | 1 502 |
| Capital | 196 | 28 | 224 | 197 | 27 | 87.9% | 385 | 103 |
| **3.4 International trade** | | | | | | | | |
| Current | 7 619 | (47) | 7 572 | 5 841 | 1 731 | 77.1% | 6 441 | 4 484 |
| Capital | 195 | - | 195 | 158 | 37 | 81.0% | 132 | 114 |
| **3.5 National Agricultural Marketing Council** | | | | | | | | |
| Current | 10 109 | - | 10 109 | 10 109 | - | 100.0% | 5 212 | 5 212 |
| **Total** | 37 380 | (1 117) | 36 263 | 22 537 | 13 726 | 62.1% | 21 523 | 13 900 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 9 713 | (1 117) | 8 596 | 7 036 | 1 560 | 81.9% | 7 512 | 6 233 |
| Transfer payments | 10 474 | - | 10 474 | 10 289 | 185 | 98.2% | 5 212 | 5 212 |
| Other | 16 513 | (28) | 16 485 | 4 663 | 11 822 | 28.3% | 8 042 | 2 202 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 680 | 28 | 708 | 549 | 159 | 77.5% | 757 | 253 |
| **Total** | 37 380 | (1 117) | 36 263 | 22 537 | 13 726 | 62.1% | 21 523 | 13 900 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 9 713 | (1 117) | 8 596 | 7 036 | 1 560 | 81.9% | 7 512 | 6 233 |
| Administrative | 8 816 | (268) | 8 548 | 3 028 | 5 520 | 35.4% | 5 047 | 1 862 |
| Inventories | 283 | 268 | 551 | 434 | 117 | 78.8% | 266 | 171 |
| Equipment | 680 | 28 | 708 | 549 | 159 | 77.5% | 757 | 253 |
| Professional and special services | 7 414 | (28) | 7 386 | 1 201 | 6 185 | 16.3% | 2 729 | 169 |
| Transfer payments | 10 474 | - | 10 474 | 10 289 | 185 | 98.2% | 5 212 | 5 212 |
| **Total** | 37 380 | (1 117) | 36 263 | 22 537 | 13 726 | 62.1% | 21 523 | 13 900 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 4
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | allocation | R'000 | R'000 |
| **4.1 Management** | | | | | | | | |
| Current | 967 | (8) | 959 | 490 | 469 | 51.1% | 846 | 578 |
| Capital | 45 | 8 | 53 | 49 | 4 | 92.5% | 116 | 35 |
| **4.2 Economic analysis** | | | | | | | | |
| Current | 7 621 | (364) | 7 257 | 2 435 | 4 822 | 33.6% | 4 470 | 2 805 |
| Capital | 425 | - | 425 | 22 | 403 | 5.2% | 194 | 178 |
| **4.3 Statistics** | | | | | | | | |
| Current | 10 683 | (546) | 10 137 | 10 112 | 25 | 99.8% | 12 498 | 10 174 |
| Capital | 313 | 10 | 323 | 322 | 1 | 99.7% | 545 | 219 |
| **Total** | 20 054 | (900) | 19 154 | 13 430 | 5 724 | 70.1% | 18 669 | 13 989 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 9 667 | (1 079) | 8 588 | 7 205 | 1 383 | 83.9% | 7 266 | 6 115 |
| Transfer payments | 200 | - | 200 | - | 200 | - | 800 | 800 |
| Other | 9 404 | 161 | 9 565 | 5 832 | 3 733 | 61.0% | 9 748 | 6 642 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 783 | 18 | 801 | 393 | 408 | 49.1% | 855 | 432 |
| **Total** | 20 054 | (900) | 19 154 | 13 430 | 5 724 | 70.1% | 18 669 | 13 989 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 9 667 | (1 079) | 8 588 | 7 205 | 1 383 | 83.9% | 7 266 | 6 115 |
| Administrative | 3 705 | (1 137) | 2 568 | 873 | 1 695 | 34.0% | 1 719 | 645 |
| Inventories | 724 | 86 | 810 | 341 | 469 | 42.1% | 316 | 152 |
| Equipment | 783 | 18 | 801 | 393 | 408 | 49.1% | 855 | 432 |
| Professional and special services | 4 975 | 1 212 | 6 187 | 4 618 | 1 569 | 74.6% | 7 713 | 5 845 |
| Transfer payments | 200 | - | 200 | - | 200 | - | 800 | 800 |
| **Total** | 20 054 | (900) | 19 154 | 13 430 | 5 724 | 70.1% | 18 669 | 13 989 |

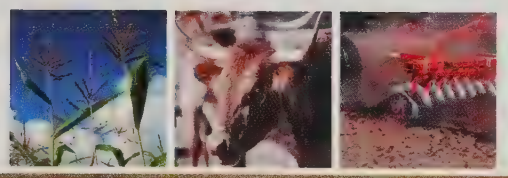
# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 5
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **5.1 Management** | | | | | | | | |
| Current | 948 | (107) | 841 | 789 | 52 | 93.8% | 442 | - |
| Capital | 45 | 107 | 152 | 151 | 1 | 99.3% | - | - |
| **5.2 Animal and aqua production systems** | | | | | | | | |
| Current | 3 612 | (140) | 3 472 | 2 337 | 1 135 | 67.3% | 423 | 84 |
| Capital | 234 | - | 234 | 167 | 67 | 71.4% | 87 | 14 |
| **5.3 Plant production systems** | | | | | | | | |
| Current | 4 294 | (87) | 4 207 | 3 250 | 957 | 77.3% | 460 | 259 |
| Capital | 238 | 227 | 465 | 459 | 6 | 98.7% | 126 | 42 |
| **Total** | 9 371 | - | 9 371 | 7 153 | 2 218 | 76.3% | 1 538 | 399 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 5 384 | (167) | 5 217 | 4 050 | 1 167 | 77.6% | 924 | 143 |
| Other | 3 470 | (167) | 3 303 | 2 326 | 977 | 70.4% | 401 | 200 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 517 | 334 | 851 | 777 | 74 | 91.3% | 213 | 56 |
| **Total** | 9 371 | - | 9 371 | 7 153 | 2 218 | 76.3% | 1 538 | 399 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | **Adjusted Appropriation** | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | **R'000** | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 5 384 | (167) | 5 217 | 4 050 | 1 167 | 77.6% | 924 | 143 |
| Administrative | 1 719 | (236) | 1 483 | 967 | 516 | 65.2% | 209 | 118 |
| Inventories | 476 | 32 | 508 | 356 | 152 | 70.1% | 71 | 50 |
| Equipment | 522 | 329 | 851 | 777 | 74 | 91.3% | 213 | 56 |
| Professional and special services | 1 270 | 42 | 1 312 | 1 003 | 309 | 76.4% | 121 | 32 |
| **Total** | 9 371 | - | 9 371 | 7 153 | 2 218 | 76.3% | 1 538 | 399 |



# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 6
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **6.1 Management** | | | | | | | | |
| Current | 1 425 | (100) | 1 325 | 777 | 548 | 58.6% | 694 | 541 |
| Capital | 37 | - | 37 | 32 | 5 | 86.5% | 111 | 106 |
| **6.2 Water use and irrigation development** | | | | | | | | |
| Current | 24 813 | (6 065) | 18 748 | 17 913 | 835 | 95.5% | 19 843 | 19 328 |
| Capital | 28 078 | 2 715 | 30 793 | 27 172 | 3 621 | 88.2% | 28 123 | 27 161 |
| **6.3 Scientific research and development** | | | | | | | | |
| Current | 938 | (2) | 936 | 658 | 278 | 70.3% | 727 | 576 |
| Capital | 20 | 2 | 22 | 13 | 9 | 59.1% | 162 | 161 |
| **6.4 Land use and soil management** | | | | | | | | |
| Current | 82 717 | (4 284) | 78 433 | 74 796 | 3 637 | 95.4% | 64 532 | 64 516 |
| Capital | 2 463 | 9 | 2 472 | 1 497 | 975 | 60.6% | 8 815 | 8 809 |
| **6.5 Agricultural Research Council** | | | | | | | | |
| Current | 281 966 | - | 281 966 | 281 966 | - | 100.0% | 258 052 | 258 052 |
| Capital | 27 047 | - | 27 047 | 27 047 | - | 100.0% | 17 000 | 17 000 |
| **Total** | 449 504 | (7 725) | 441 779 | 431 871 | 9 908 | 97.8% | 398 059 | 396 250 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 35 540 | (1 111) | 34 429 | 32 500 | 1 929 | 94.4% | 30 635 | 30 412 |
| Transfer payments | 319 966 | - | 319 966 | 318 366 | 1 600 | 99.5% | 282 052 | 282 052 |
| Other | 36 353 | (9 340) | 27 013 | 25 245 | 1 768 | 93.5% | 31 161 | 30 549 |
| **Capital** | | | | | | | | |
| Transfer payments | 27 047 | - | 27 047 | 27 047 | - | 100.0% | 17 000 | 17 000 |
| Acquisition of capital assets | 30 598 | 2 726 | 33 324 | 28 713 | 4 611 | 86.2% | 37 211 | 36 237 |
| **Total** | 449 504 | (7 725) | 441 779 | 431 871 | 9 908 | 97.8% | 398 059 | 396 250 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 45 963 | (743) | 45 220 | 43 290 | 1 930 | 95.7% | 40 342 | 40 115 |
| Administrative | 14 658 | (585) | 14 073 | 13 132 | 941 | 93.3% | 12 965 | 12 773 |
| Inventories | 15 293 | (3 783) | 11 510 | 11 288 | 222 | 98.1% | 13 719 | 13 550 |
| Equipment | 8 718 | 2 840 | 11 558 | 10 520 | 1 038 | 91.0% | 19 331 | 18 439 |
| Land and buildings | - | - | - | - | - | - | - | - |
| Professional and special services | 17 859 | (5 454) | 12 405 | 8 228 | 4 177 | 66.3% | 12 650 | 12 321 |
| Transfer payments | 347 013 | - | 347 013 | 345 413 | 1 600 | 99.5% | 299 052 | 299 052 |
| **Total** | 449 504 | (7 725) | 441 779 | 431 871 | 9 908 | 97.8% | 398 059 | 396 250 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 7
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| **7.1 Management** | | | | | | | | |
| Current | 994 | 73 | 1 067 | 1 062 | 5 | 99.5% | 967 | 915 |
| Capital | 3 | 70 | 73 | 53 | 20 | 72.6% | 47 | 17 |
| **7.2 Food safety and quality assurance** | | | | | | | | |
| Current | 30 329 | (1 784) | 28 545 | 27 032 | 1 513 | 94.7% | 26 533 | 25 673 |
| Capital | 949 | 7 | 956 | 870 | 86 | 91.0% | 1 155 | 612 |
| **7.3 Genetic resources** | | | | | | | | |
| Current | 4 503 | (24) | 4 479 | 3 301 | 1 178 | 73.7% | 12 468 | 12 384 |
| Capital | 166 | - | 166 | 124 | 42 | 74.7% | 1 131 | 1 050 |
| **7.4 Plant health** | | | | | | | | |
| Current | 9 382 | (478) | 8 904 | 6 815 | 2 089 | 76.5% | 5 955 | 5 607 |
| Capital | 412 | 256 | 668 | 604 | 64 | 90.4% | 838 | 708 |
| **7.5 Animal health** | | | | | | | | |
| Current | 76 028 | 6 969 | 82 997 | 71 406 | 11 591 | 86.0% | 49 196 | 49 095 |
| Capital | 1 797 | 17 | 1 814 | 998 | 816 | 55.0% | 1 820 | 1 081 |
| **7.6 Import – export control services** | | | | | | | | |
| Current | 66 388 | (4 257) | 62 131 | 59 988 | 2 143 | 96.6% | 47 131 | 46 610 |
| Capital | 6 981 | 1 251 | 8 232 | 8 096 | 136 | 98.3% | 8 604 | 7 457 |
| **Total** | 197 932 | 2 100 | 200 032 | 180 349 | 19 683 | 90.2% | 155 845 | 151 209 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| **Current** | | | | | | | | |
| Personnel | 99 560 | (5 414) | 94 146 | 90 709 | 3 437 | 96.3% | 82 660 | 82 438 |
| Other | 88 064 | 5 913 | 93 977 | 78 895 | 15 082 | 84.0% | 59 590 | 57 846 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 10 308 | 1 601 | 11 909 | 10 745 | 1 164 | 90.2% | 13 595 | 10 925 |
| **Total** | 197 932 | 2 100 | 200 032 | 180 349 | 19 683 | 90.2% | 155 845 | 151 209 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation R'000 | Virement R'000 | Revised Allocation R'000 | Actual Expenditure R'000 | Savings/ Underspend (Excess) R'000 | Expenditure as % of revised allocation | Revised Allocation R'000 | Actual Expenditure R'000 |
| Personnel | 99 560 | (5 414) | 94 146 | 90 709 | 3 437 | 96.3% | 82 660 | 82 437 |
| Administrative | 30 780 | (2 613) | 28 167 | 21 981 | 6 186 | 78.0% | 16 506 | 15 949 |
| Inventories | 9 583 | 445 | 10 028 | 8 726 | 1 302 | 87.0% | 10 238 | 9 258 |
| Equipment | 10 308 | 1 502 | 11 810 | 10 646 | 1 164 | 90.1% | 13 552 | 10 885 |
| Land and buildings | - | 99 | 99 | 99 | - | 100.0% | 72 | 58 |
| Professional and special services | 33 101 | 8 081 | 41 182 | 33 588 | 7 594 | 81.6% | 32 758 | 32 564 |
| Miscellaneous | 14 600 | - | 14 600 | 14 600 | - | 100.0% | 59 | 58 |
| **Total** | 197 932 | 2 100 | 200 032 | 180 349 | 19 683 | 90.2% | 155 845 | 151 209 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 8
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **8.1 Management** | | | | | | | | |
| Current | 958 | - | 958 | 625 | 333 | 65.2% | 811 | 804 |
| Capital | 20 | - | 20 | 6 | 14 | 30.0% | 89 | 89 |
| **8.2 Agricultural information services** | | | | | | | | |
| Current | 13 684 | 1 409 | 15 093 | 14 335 | 758 | 95.0% | 11 991 | 11 975 |
| Capital | 1 046 | - | 1 046 | 917 | 129 | 87.7% | 1 101 | 837 |
| **8.3 International relations** | | | | | | | | |
| Current | 35 705 | (270) | 35 435 | 32 476 | 2 959 | 91.6% | 31 964 | 31 962 |
| Capital | 552 | - | 552 | 282 | 270 | 51.1% | 1 051 | 664 |
| **8.4 Agricultural education and training** | | | | | | | | |
| Current | 8 326 | 3 628 | 11 954 | 10 922 | 1 032 | 91.4% | 4 587 | 4 416 |
| Capital | 119 | - | 119 | 94 | 25 | 79.0% | 371 | 340 |
| **8.5 Grootfontein Agricultural Development Institute** | | | | | | | | |
| Current | 19 544 | 691 | 20 235 | 20 233 | 2 | 100.0% | 19 992 | 19 990 |
| Capital | 821 | - | 821 | 708 | 113 | 86.2% | 502 | 493 |
| **Total** | 80 775 | 5 458 | 86 233 | 80 598 | 5 635 | 93.5% | 72 459 | 71 570 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 32 261 | 1 630 | 33 891 | 33 400 | 491 | 98.6% | 27 556 | 27 443 |
| Other | 45 956 | 3 828 | 49 784 | 45 191 | 4 593 | 90.8% | 41 789 | 41 704 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 2 558 | - | 2 558 | 2 007 | 551 | 78.5% | 3 114 | 2 423 |
| **Total** | 80 775 | 5 458 | 86 233 | 80 598 | 5 635 | 93.5% | 72 459 | 71 570 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 32 261 | 1 630 | 33 891 | 33 400 | 491 | 98.6% | 27 556 | 27 443 |
| Administrative | 37 880 | 4 745 | 42 625 | 38 945 | 3 680 | 91.4% | 33 003 | 32 998 |
| Inventories | 3 328 | 951 | 4 279 | 4 219 | 60 | 98.6% | 4 693 | 4 690 |
| Equipment | 2 558 | - | 2 558 | 2 007 | 551 | 78.5% | 3 114 | 2 423 |
| Professional and special services | 4 748 | (1 868) | 2 880 | 2 027 | 853 | 70.4% | 4 093 | 4 016 |
| **Total** | 80 775 | 5 458 | 86 233 | 80 598 | 5 635 | 93.5% | 72 459 | 71 570 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 9
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **9.1 Programme management** | | | | | | | | |
| Current | 2 680 | (317) | 2 363 | 979 | 1 384 | 41.4% | - | - |
| Capital | 135 | 317 | 452 | 290 | 162 | 64.2% | - | - |
| **9.2 Monitoring and evaluation** | | | | | | | | |
| Current | 2 322 | (400) | 1 922 | - | 1 922 | - | 22 | 18 |
| Capital | 135 | - | 135 | - | 135 | - | 17 | - |
| **Total** | 5 272 | (400) | 4 872 | 1 269 | 3 603 | 26.0% | 39 | 18 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Personnel | 1 637 | - | 1 637 | 430 | 1 207 | 26.3% | - | - |
| Other | 3 365 | (717) | 2 648 | 549 | 2 099 | 20.7% | 22 | 18 |
| **Capital** | | | | | | | | |
| Acquisition of capital assets | 270 | 317 | 587 | 290 | 297 | 49.4% | 17 | - |
| **Total** | 5 272 | (400) | 4 872 | 1 269 | 3 603 | 26.0% | 39 | 18 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Personnel | 1 637 | - | 1 637 | 430 | 1 207 | 26.3% | - | - |
| Administrative | 1 025 | (400) | 625 | 200 | 425 | 32.0% | 19 | 18 |
| Inventories | 105 | - | 105 | 24 | 81 | 22.9% | 3 | - |
| Equipment | 270 | 317 | 587 | 290 | 297 | 49.4% | 17 | - |
| Professional and special services | 2 235 | (317) | 1 918 | 325 | 1 593 | 16.9% | - | - |
| **Total** | 5 272 | (400) | 4 872 | 1 269 | 3 603 | 26.0% | 39 | 18 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DETAIL PER PROGRAMME 10
## for the year ended 31 MARCH 2004

| Programme per subprogramme | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Special functions** | | | | | | | | |
| Current | - | 977 | 977 | 977 | - | 100% | 412 | 412 |
| **Total** | - | 977 | 977 | 977 | - | 100% | 412 | 412 |

| Economic classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| **Current** | | | | | | | | |
| Other | - | 977 | 977 | 977 | - | 100% | 412 | 412 |
| **Total** | - | 977 | 977 | 977 | - | 100% | 412 | 412 |

| Standard item classification | 2003/04 | | | | | | 2002/03 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation | Virement | Revised Allocation | Actual Expenditure | Savings/ Underspend (Excess) | Expenditure as % of revised allocation | Revised Allocation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Miscellaneous | - | 977 | 977 | 977 | - | 100% | 412 | 412 |
| **Total** | - | 977 | 977 | 977 | - | 100% | 412 | 412 |

**DEPARTMENT OF AGRICULTURE**
**VOTE 26**

**NOTES TO THE APPROPRIATION STATEMENT**
**for the year ended 31 MARCH 2004**

1. **Detail of current and capital transfers as per Appropriation Act (after Virement):**

   Detail of these transactions is taken up in note 9 (transfer payments) to the annual financial statements.

2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**

   Detail of these transactions is taken up in note 1 (Annual Appropriation) to the annual financial statements.

3. **Detail of special functions (theft and losses)**

   Detail of these transactions per programme is taken up in note 11 (details of special functions) to the annual financial statements.

4. **Explanations of material variances from Amount Voted (after Virements):**

4.1 **Per programme:**

Programme 1: Administration

The surplus under this Programme resulted from an underspending on inventories (R362 000), services not rendered in time by SITA (laser link - R120 000 and LAN installation - R285 000), the late installation of the PABX in the Maize Board Building and capital works projects not completed (R2,387 million).

Programme 2: Farmer support and development

The surplus under this Programme are mainly due to vacant posts not filled resulting in underspending on personnel expenditure – R2,519 million; administrative expenditure – R1,397 million; inventories – R380 000. Further underspendings of R1,291 million under equipment and R1,272 million under professional and special services in respect of tenders that were not concluded.

**DEPARTMENT OF AGRICULTURE**
**VOTE 26**

**NOTES TO THE APPROPRIATION STATEMENT**
**for the year ended 31 MARCH 2004**

Programme 3: Agricultural trade and business development

Due to vacancies not filled, underspending amounting to R1,560 million (personnel), R5,520 million (administrative expenditure), R117 000 (inventories) and R159 000 (equipment) realised. Under professional and special services and due to tenders/contracts not finalised on time a surplus of R5,864 million has realised.

Programme 4: Agricultural research and economic analysis

Due to vacancies not filled, an underspending realised under such items as personnel (R1,383 million), administrative expenditure (R1,695 million), inventories (R469 000), equipment (R408 000) and under professional and special services due to tenders/contracts not completed (R1,565 million).

Programme 5: Agricultural production

Due to this being a new programme and not fully functional yet, a surplus realised under such items as personnel (R1,167 million), administrative expenditure (R516 000), inventories (R152 000) and professional and special services (R305 000).

Programme 6: Sustainable resources management and use

Underspending resulting from vacancies not being filled (R1,930 million) had a negative effect under administrative expenditure (R941 000), equipment (R1,038 million) and professional and special services (R4,177 million) whilst an amount of R1,6 million for LandCare was not paid to the Gauteng Department of Agriculture because the latter indicated that no need for the transfer exists.

Programme 7: National agricultural regulatory services

Due to vacancies not filled, an underspending under personnel (R3,180 million), administrative expenditure (R1,786 million), inventories (R800 000), equipment (R951 000) and professional and special services (R877 000). The Foot and Mouth campaign was over estimated resulting in further underspending under administrative expenditure (R4,132 million), inventories (R560 000), equipment (R816 000) and professional and special services (R6,135 million).

## NOTES TO THE APPROPRIATION STATEMENT
## for the year ended 31 MARCH 2004

Programme 8: Agricultural communication, planning and evaluation

The post of Assistant Director-General as well as various other vacancies were not filled giving rise to surpluses under personnel (R490 000), administrative expenditure (R974 000), equipment (R551 000) and professional and special services (R853 000) whilst a saving of R2,706 million realised due to exchange rate fluctuations.

Programme 9: Programme planning, monitoring and evaluation

This is a new programme and is not fully operational as yet. Various vacancies have not been filled with the resultant surplus under all the standard items.

Special functions

This is in respect of thefts/losses written off as well as claims against the Department.

**4.2 Per standard item:**

Personnel expenditure

An underspending resulting from vacancies not filled with due regard to the implementation of Resolution 7 of 2002 of the Public Service Co-ordinating Bargaining Chamber which was only terminated on 12 September 2003.

Administrative expenditure

Due to vacancies not filled savings of R13,254 million were realised under this standard item. The Foot and Mouth disease campaign were over estimated and resulted in a saving of R4,132 million whilst exchange rate fluctuations accounted for a saving of R2,706 million.

Inventories

The underspending is due to vacancies not filled (R2,043 million) and R560 000 of the Foot and Mouth Disease Campaign being over estimated.

## NOTES TO THE APPROPRIATION STATEMENT
**for the year ended 31 MARCH 2004**

Equipment

The underspending is due to vacancies not filled (R4,695 million), the late payment for the PABX system in the Maize Board Building (R1,040 million) and the Foot and Mouth Disease Campaign being over estimated (R816 000).

Professional and special services

The underspending is due to less *ad-hoc* research undertaken (R780 000), the over estimation of the impact of foot and mouth disease (R6,19 million), the late delivery of services under contracts and tenders (R9,11 million), the Food Pricing Monitoring Committee that was not paid as well as the Excellence Model that was not implemented timeously (R6,19 million).

## DEPARTMENT OF AGRICULTURE
## VOTE 26

## INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
## for the year ended 31 MARCH 2004

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| **REVENUE** | | | |
| Voted funds | | | |
| Annual Appropriation | 1 | 1 250 102 | 944 578 |
| Other revenue to be surrendered to the Revenue Fund | 2 | 235 529 | 67 184 |
| Local and foreign aid assistance | 3 | 498 | - |
| **TOTAL REVENUE** | | 1 486 129 | 1 011 762 |
| | | | |
| **EXPENDITURE** | | | |
| **Current** | | | |
| Personnel | 4.1 | 265 806 | 239 120 |
| Administrative | | 97 093 | 78 511 |
| Inventories | 5.1 | 31 251 | 29 237 |
| Land and buildings | 7 | - | 17 |
| Professional and special services | 8.1 | 84 387 | 89 624 |
| Transfer payments | 9 | 575 412 | 291 149 |
| Miscellaneous | 10 | 14 600 | 51 |
| Local and foreign aid assistance (incl. RDP funds) paid | 3 | 498 | 75 |
| Special functions: Authorised losses | 11 | 977 | 412 |
| **Total Current Expenditure** | | 1 070 024 | 728 196 |
| | | | |
| **Capital** | | | |
| Personnel | 4.2 | 10 790 | 9 703 |
| Administrative | | 3 865 | 3 306 |
| Inventories | 5.2 | 3 362 | 3 669 |
| Machinery and equipment | 6 | 42 956 | 45 120 |
| Land and buildings | 7 | 19 567 | 24 236 |
| Professional and special services | 8.2 | 177 | 1 118 |
| Transfer payments | 9 | 27 047 | 102 000 |
| **Total Capital Expenditure** | | 107 764 | 189 152 |
| | | | |
| **TOTAL EXPENDITURE** | | 1 177 788 | 917 348 |
| | | | |
| **NET SURPLUS FOR THE YEAR** | | 308 341 | 94 414 |
| | | | |
| **Reconciliation of Net Surplus for the year** | | | |
| Voted funds to be surrendered to the Revenue Fund | 18.1 | 72 812 | 27 305 |
| Other revenue to be surrendered to the Revenue Fund | 19 | 235 529 | 67 184 |
| Local and foreign aid assistance (incl. RDP Funds) | 3 | - | (75) |
| **NET SURPLUS FOR THE YEAR** | | 308 341 | 94 414 |

## DEPARTMENT OF AGRICULTURE
## VOTE 26

## BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
## as at 31 MARCH 2004

| ASSETS | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| **Current assets** | | 22 047 | 27 527 |
| Cash and cash equivalents | 12 | 6 183 | 6 652 |
| Receivables | 13 | 15 864 | 20 875 |
| **Non-current assets** | | 21 581 | 81 568 |
| Receivables | 17 | 663 | 663 |
| Loans | 14 | - | 59 565 |
| Investments | 15 | 20 842 | 20 911 |
| Investments in controlled entities | 16 | 2 | 2 |
| Amounts owing by controlled entities | 23 | 74 | 427 |
| **TOTAL ASSETS** | | 43 628 | 109 095 |
| **LIABILITIES** | | | |
| **Current liabilities** | | 14 006 | 19 991 |
| Voted funds to be surrendered to the Revenue Fund | 18 | 9 491 | 7 245 |
| Other revenue funds to be surrendered to the Revenue Fund | 19 | 3 722 | 2 451 |
| Payables | 20 | 431 | 767 |
| Deposits | 21 | 362 | 9 528 |
| **Non-current liabilities** | | 20 609 | 20 512 |
| Payables | 22 | 20 609 | 20 512 |
| **TOTAL LIABILITIES** | | 34 615 | 40 503 |
| **NET ASSETS/LIABILITIES** | | 9 013 | 68 592 |
| **Represented by:** | | | |
| Recoverable revenue | | 9 013 | 68 592 |
| **TOTAL** | | 9 013 | 68 592 |

## DEPARTMENT OF AGRICULTURE
## VOTE 26

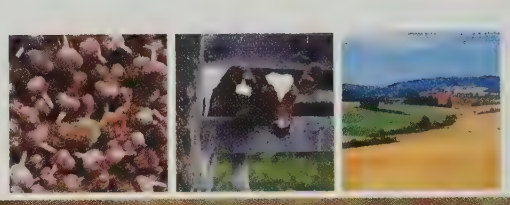
## STATEMENT OF CHANGES IN NET ASSETS
## for the year ended 31 MARCH 2004

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| **Recoverable revenue** | | | |
| Opening balance | | 68 592 | 68 650 |
| Transfer to Revenue Fund | 19 | (195 184) | (38 131) |
| Debts written off | 11.1 | (276) | (341) |
| Debts raised | | 135 881 | 38 414 |
| Closing balance | | 9 013 | 68 592 |
| **Local and foreign aid assistance (incl. RDP funds) remaining** | | | |
| Opening balance | | - | 75 |
| Transfers | | - | (75) |
| Closing balance | 3 | - | - |
| **TOTAL** | | 9 013 | 68 592 |

## DEPARTMENT OF AGRICULTURE
## VOTE 26

## CASH FLOW STATEMENT
## for the year ended 31 MARCH 2004

| | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net cash flow generated by operating activities | 24 | 343 777 | 263 581 |
| Cash generated / utilised to (increase) / decrease working capital | 25 | (3 986) | 36 484 |
| Voted funds and Revenue Funds surrendered | 26 | (241 503) | (81 489) |
| **Net cash flow available from operating activities** | | 98 288 | 218 576 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | (98 757) | (189 152) |
| Capital expenditure | | (107 763) | (189 152) |
| Proceeds from sale of equipment | | 9 006 | - |
| **Net cash flow available from operating and investing activities** | | (469) | 29 424 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | - | - |
| **Net increase / (decrease) in cash and cash equivalents** | | (469) | 29 424 |
| **Cash and cash equivalents at beginning of period** | | 6 652 | (22 772) |
| **Cash and cash equivalents at end of period** | 12 | 6 183 | 6 652 |



# DEPARTMENT OF AGRICULTURE
# VOTE 26

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

### 1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):

| Programmes | Total Appropriation 2003/04 R'000 | Actual Funds Received R'000 | Variance over/(under) R'000 | Total Appropriation 2002/03 R'000 |
|---|---|---|---|---|
| 1 to 9 | 1 250 102 | 1 186 781 | (63 321) | 944 578 |
| **Total** | 1 250 102 | 1 186 781 | (63 321) | 944 578 |

For an explanation of material variances refer to the Notes to the Appropriation Statement on pages 34 to 36.

| 2. Other revenue to be surrendered to revenue fund | Note | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| **Description** | | | |
| Gifts, donations and sponsorships received | 2.1 | 13 | 10 |
| Sales of equipment | | 9 004 | - |
| Interest | | 10 279 | 5 514 |
| Rent | | 657 | 1 296 |
| Sales of goods and services | | 23 037 | 21 909 |
| Fines, penalties and forfeits | | 1 | 21 |
| Miscellaneous and unidentified revenue | | 9 | 75 |
| Loans extended | | 3 552 | 3 832 |
| Accounts receivable | | 188 685 | 34 298 |
| Warrant vouchers written back/stale | | 292 | 229 |
| | | 235 529 | 67 184 |

**2.1 Gifts, donations and sponsorships received by the department**

| | | |
|---|---|---|
| Workshop: International Plant Genetic Resources Institute (IPGRI) | 13 | - |
| Other | - | 10 |
| | 13 | 10 |

**2.2 Gifts, donations and sponsorships received in kind excluding RDP funds by the department (Total not included above)**

| | | |
|---|---|---|
| Swiss State Secretariat for Economics Affairs (SECO): Capacity building for surveillance for prevention of BSE and other Zoonotic diseases | 20 800 | - |
| SABS: Traveling cost | 2 | - |
| Floppy Sprinkler (Pty) Ltd: Irrigation Material | 34 | - |
| Several gifts/donations | - | 2 089 |
| | 20 836 | 2 089 |

### 3. Local and foreign aid assistance (including RDP funds)

| Assistance received in cash Name of Donor and purpose | Opening Balance | Revenue | Expenditure | | Closing Balance |
|---|---|---|---|---|---|
| | | | Current | Capital | |
| **Foreign** | | | | | |
| Netherlands Government: Provincial Extention Workshop | - | 498 | 498 | - | - |
| | - | 498 | 498 | - | - |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| **4.** | **Personnel** | | |
| **4.1** | **Current expenditure** | | |
| | Appropriation to Executive and Legislature | 1 388 | 1 482 |
| | Basic salary costs | 170 748 | 158 934 |
| | Pension contributions | 25 292 | 23 102 |
| | Medical aid contributions | 12 981 | 12 944 |
| | Other salary related costs | 55 397 | 42 658 |
| | | 265 806 | 239 120 |
| | Average number of employees: 2387 (2480) | | |
| **4.2** | **Capital expenditure** | | |
| | Basic salary costs | 7 913 | 7 135 |
| | Pension contributions | 1 197 | 1 071 |
| | Medical aid contributions | 476 | 446 |
| | Other salary related costs | 1 204 | 1 051 |
| | | 10 790 | 9 703 |
| | Average number of employees: 195 (166) | | |
| | **Total personnel costs** | 276 596 | 248 823 |
| **5.** | **Inventories** | | |
| **5.1** | **Current expenditure** | | |
| | **Inventories purchased during the year** | | |
| | Building and fencing supplies | 1 434 | 1 792 |
| | Cleaning materials | 351 | 469 |
| | Clothing | 881 | 827 |
| | Computer supplies | 5 891 | 1 767 |
| | Food supplies | 711 | 601 |
| | Consumable items | 6 253 | 7 889 |
| | Printing | 1 981 | 836 |
| | Stationary | 6 630 | 6 799 |
| | General maintenance: Material and spares | 1 018 | 618 |
| | Maintenance of vehicles (including helicopter) | 6 093 | 7 639 |
| | Livestock | 8 | - |
| | | 31 251 | 29 237 |
| **5.2** | **Capital expenditure (Key soil conservation works)** | | |
| | **Inventories purchased during the year** | | |
| | Building and fencing supplies | 1 173 | 618 |
| | Cleaning materials | - | 2 |
| | Clothing | 55 | 53 |
| | Computer supplies | 4 | 37 |
| | Consumable items | 349 | 242 |
| | Stationary | 9 | 10 |
| | General maintenance: Material and spares | 28 | 56 |
| | Maintenance of construction vehicles | 1 744 | 2 651 |
| | | 3 362 | 3 669 |
| | **Total cost of inventories** | 34 613 | 32 906 |
| **6.** | **Machinery and equipment** | | |
| | **Capital machinery and equipment analysed as follows:** | | |
| | Computer equipment | 10 817 | 8 139 |
| | Furniture and office equipment | 1 947 | 1 609 |
| | Other machinery and equipment | 11 203 | 20 013 |
| | Transport | 3 472 | 2 776 |
| | Maintenance | 7 168 | 5 088 |
| | Rentals | 8 349 | 7 495 |
| | | 42 956 | 45 120 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|---|
| 7. | **Land and Buildings** | | | |
| | Current expenditure: Rental | | - | 17 |
| | Capital expenditure: Non-residential buildings | | 19 567 | 24 236 |
| | Total current and capital expenditure | | 19 567 | 24 253 |
| 8. | **Professional and special services** | | | |
| 8.1 | **Current expenditure** | | | |
| | Auditors' remuneration | | | |
| | Regulatory | | 2 693 | 2 490 |
| | Contractors | | 77 099 | 83 179 |
| | Consultants and advisory services | | 2 892 | 2 924 |
| | Commissions and committees | | 84 | 7 |
| | Other | | 1 619 | 1 024 |
| | | | 84 387 | 89 624 |
| 8.2 | **Capital expenditure** | | | |
| | Contractors | | 27 | 1 001 |
| | Other | | 150 | 117 |
| | | | 177 | 1 118 |
| | **Total professional and special services** | | 84 564 | 90 742 |
| 9. | **Transfer payments** | | | |
| | Conditional grant transfers | Annexure 1A | 36 400 | 24 000 |
| | Other transfers | Annexure 1B | 566 059 | 369 149 |
| | | | 602 459 | 393 149 |
| | **Analysis of transfer payments** | | | |
| | Capital | | 27 047 | 102 000 |
| | Current | | 575 412 | 291 149 |
| | | | 602 459 | 393 149 |
| 10. | **Miscellaneous** | | | |
| 10.1 | **Current expenditure** | | | |
| | Cash discount | | - | (7) |
| | Other: Liquidation of ABAKOR | | 14 600 | 58 |
| | | | 14 600 | 51 |
| 10.2 | **Gifts, donations and sponsorships made in kind** | | | |
| | **Nature of gifts, donations and sponsorships** | | | |
| | Current | | | |
| | Kwanalu Districts Farmer Association Scottsville: | | | |
| | District Farmers Association Day | | 5 | - |
| | IAAE Conference: Membership fees | | 1 | - |
| | Africa Public Day celebrations: Caps and shirts | | 39 | - |
| | Foreign ministerial visits: Gifts | | 2 | - |
| | Accommodation for GTAP training: Training | | 1 | - |
| | Capital | | | |
| | Ncera Farms: Computer equipment | | 9 | - |
| | Department of Water Affairs and Forestry: Odex steel borehole casings | | 20 | - |
| | | | 77 | - |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|---|
| **11.** | **Special functions: Authorised losses** | | | |
| | Material losses through criminal conduct | | - | 8 |
| | Debts written off | 11.1 | 276 | 341 |
| | Claims against the state | | 701 | 63 |
| | | | 977 | 412 |
| **11.1** | **Debts written off** | | | |
| | **Nature of debts written off** | | | |
| | Uneconomical | | 58 | 162 |
| | To settle or to waive the claim is to the advantage of the State | | 218 | 179 |
| | | | 276 | 341 |
| **11.2** | **Details of special functions (theft and losses)** | | | |
| | **Per programme** | | | |
| | Administration | | 143 | 168 |
| | Farmer support and development | | - | 11 |
| | Sustainable resources management and use | | 2 | 46 |
| | National agricultural regulatory services | | 129 | 187 |
| | Communication and information management | | 1 | - |
| | Programme planning, monitoring and evaluation | | 1 | - |
| | | | 276 | 412 |
| **12.** | **Cash and cash equivalents** | | | |
| | Paymaster-General Account | | 6 020 | 6 542 |
| | Cash with commercial banks | | - | 36 |
| | Cash on hand | | 163 | 74 |
| | | | 6 183 | 6 652 |
| **13.** | **Receivables - current** | | | |
| | Amounts owing by other departments | Annexure 5 | 727 | 238 |
| | Staff debtors | 13.3 | 59 | 57 |
| | Other debtors | 13.4 | 13 760 | 19 322 |
| | Advances | 13.5 | 1 318 | 1 258 |
| | | 13.2 | 15 864 | 20 875 |
| **13.1** | Amounts of R1 018 356,72 (2003: R226 676-87) included above may not be recoverable, but has not been written off in the income statement | | | |
| **13.2** | **Age analysis - receivables current** | | | |
| | Less than one year | | 10 878 | 6 758 |
| | One to two years | | 1 880 | 1 272 |
| | More than two years | | 3 106 | 12 845 |
| | | | 15 864 | 20 875 |
| **13.3** | **Staff debtors** | | | |
| | Disallowance investigation | | 34 | 35 |
| | Salary disallowance account | | 15 | 4 |
| | Tax debt | | 9 | 18 |
| | Salary deduction disallowance account | | 1 | - |
| | | | 59 | 57 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|---|
| 13.4 | **Other debtors** | | | |
| | Dishonoured cheques | | 1 | 11 |
| | Receipt control | | - | 61 |
| | Receipt deposit control | | 1 114 | - |
| | Salary reversal | | - | 11 |
| | Medical aid deduction: Bonitas | | - | 13 |
| | Departmental debt | | 10 043 | 9 561 |
| | Supplier disallowances | | 3 | 60 |
| | Disallowance damaged GG vehicles | | 3 | 6 |
| | Debt: Subsidies to farmers | | - | 9 599 |
| | Disallowance miscellaneous | 13.6 | 2 596 | - |
| | | | 13 760 | 19 322 |
| 13.5 | **Advances** | | | |
| | Nature of advances | | | |
| | Advances issued: Provincial Departments | | - | 50 |
| | Advances issued: National Departments | | 140 | 204 |
| | Transport and subsistence advances | | 1 178 | 1 004 |
| | | | 1 318 | 1 258 |
| 13.6 | Disallowance miscellaneous includes a duplicate payment of R2 589 204 in March 2004 to Statistics South Africa. The amount has been recovered on 11 May 2004. | | | |
| 14. | **Loans** | | | |
| | **Granted to** | | | |
| | Vetsak (Co-operative) Ltd | | - | 21 000 |
| | Capital Account: Loans to small and beginner farmers | | - | 38 565 |
| | | | - | 59 565 |
| | Less amount repayable within 12 months included in current assets | | - | - |
| | | 14.1 | - | 59 565 |
| 14.1 | **Refer to paragraph 7.3 of the Management Report** | | | |
| 15. | **Investments** | | | |
| | **Investee/Deposits** | **Nature of investment** | | |
| | Various depositors | Deposits for drilling services | 131 | 307 |
| | Sub-total | | 131 | 307 |
| | **Investments** | | | |
| | Abattoir Industry Fund | Statutory levies | 20 523 | 20 433 |
| | Trust funds | Testimonial grants | 84 | 76 |
| | S.A.A.U. Levy account | Statutory levies | 104 | 95 |
| | Sub-total | | 20 711 | 20 604 |
| | **Total** | | 20 842 | 20 911 |
| 16. | **Investments in controlled entities** | | | |
| | Total investments in controlled entities | Annexure 2A | | |
| | Ncera Farms | | 1 | 1 |
| | Onderstepoort Biological Products | | 1 | 1 |
| | | | 2 | 2 |
| 17. | **Unauthorised and fruitless and wasteful expenditure disallowed** | | | |
| | Unauthorised expenditure | | 663 | 663 |
| | **Reconciliation of unauthorised expenditure** | | | |
| | Opening balance | | 663 | 663 |
| | Closing balance | | 663 | 663 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|---|
| **Unauthorised expenditure** | | | | |
| **Year disallowed** | **Incident** | | | |
| 1999/2000 | Training in English – inadequate authority | | 136 | 136 |
| 1999/2000 | Additional payment for consultation services rendered during the National Irrigation Policy Grassroots consultation process - inadequate authority | | 527 | 527 |
| | | | 663 | 663 |
| **18.** | **Voted funds to be surrendered to the Revenue Fund** | | | |
| | Opening balance | | (7 245) | (9 478) |
| | Transfer from income statement | 18.1 | (72 812) | (27 305) |
| | Voted funds not requested / not received | | 63 321 | 20 060 |
| | Paid during the year | | 7 245 | 9 478 |
| | Closing balance | | (9 491) | (7 245) |
| **18.1** | **Transfer from Income Statement** | | | |
| | Voted and non voted funds | | 1 486 129 | 1 011 837 |
| | Total expenditure | | (1 177 788) | (917 348) |
| | Net surplus | | 308 341 | 94 489 |
| | Departmental revenue | | (235 529) | (67 184) |
| | Surplus | | 72 812 | 27 305 |
| **19.** | **Other revenue funds to be surrendered to the Revenue Fund** | | | |
| | Opening balance | | 2 451 | 7 278 |
| | Transfer from income statement for revenue to be surrendered | | 235 529 | 67 184 |
| | Revenue collected | | 40 345 | 29 053 |
| | Transfer from recoverable revenue | | 195 184 | 38 131 |
| | Paid during the year | | (234 258) | (72 011) |
| | Closing balance | | 3 722 | 2 451 |
| **20.** | **Payables - current** | | | |
| | Other payables | 20.1 | 431 | 767 |
| | | | 431 | 767 |
| **20.1** | **Other payables** | | | |
| | **Salary and deductions** | | | |
| | Persal ACB recalls | | 5 | - |
| | Regional Council Levies | | - | 2 |
| | Garnishee and administration order deductions | | 5 | - |
| | Pension deductions | | 9 | 3 |
| | Income tax deductions | | 191 | 527 |
| | Salary reversal control account | | 13 | - |
| | Debtor accounts with credit balances | | 101 | 70 |
| | | | 324 | 602 |

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|---|
| | **Revenue Recoverable (control account)** | | | |
| | Receipt deposit control | | - | 49 |
| | | | - | 49 |
| | **Claims Payable** | | | |
| | S.A.A.U. Levy account | | 104 | 95 |
| | Appeals | | 3 | - |
| | Disallowance miscellaneous | | - | 21 |
| | | | 107 | 116 |
| | **Total** | | 431 | 767 |
| 21. | **Deposits** | | | |
| | Drilling | | 265 | 443 |
| | Plant Breeders Rights | | 97 | 60 |
| | Agricultural Credit Account | | - | 9 025 |
| | | | 362 | 9 528 |
| 22. | **Payables - non-current** | | | |
| | Trust Funds | | 84 | 77 |
| | Shareholding account | | 2 | 2 |
| | Abattoir Industry Fund | | 20 523 | 20 433 |
| | | | 20 609 | 20 512 |
| 23. | **Amounts owing by controlled entities** | | | |
| | Total amounts owing by controlled entities | Annexure 2A | 74 | 427 |
| 24. | **Net cash flow generated by operating activities** | | | |
| | Net surplus as per Income Statement | | 308 341 | 94 414 |
| | Add back of local and foreign aid: balance previous year | | - | 75 |
| | | | 308 341 | 94 489 |
| | Adjusted for items separately disclosed | | 98 757 | 189 152 |
| | Proceeds from sale of equipment | | (9 006) | - |
| | Capital expenditure | | 107 763 | 189 152 |
| | Voted funds not requested / not received | | (63 321) | (20 060) |
| | Net cash flow generated by operating activities | | 343 777 | 263 581 |
| 25. | **Cash generated (utilised) to (increase)/decrease working capital** | | | |
| | Decrease in receivables – current | | 5 000 | 3 333 |
| | Increase in prepayments and advances | | (60) | 30 008 |
| | Decrease in other current assets | | 519 | 19 |
| | Decrease in payables – current | | (9 245) | 3 100 |
| | Decrease in other current liabilities | | (200) | 24 |
| | | | (3 986) | 36 484 |
| 26. | **Voted funds and revenue funds surrendered** | | | |
| | Voted funds surrendered | | 7 245 | 9 478 |
| | Revenue funds surrendered | | 234 258 | 72 011 |
| | | | 241 503 | 81 489 |

# DEPARTMENT OF AGRICULTURE
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## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

| | | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|---|
| **27.** | **Contingent liabilities** | | | |
| | **Liable to** | **Nature** | | |
| | Housing loan guarantees | Employees | Annexure 3 | 3 891 | 4 545 |
| | Other guarantees | | Annexure 3 | 99 824 | 104 664 |
| | | | | 103 715 | 109 209 |
| **28.** | **Commitments** | | | |
| | **Current expenditure** | | | |
| | Approved and contracted/ordered | | | 4 212 | 3 173 |
| | **Capital expenditure** | | | |
| | Approved and contracted / ordered | | | 2 615 | 3 421 |
| | Total commitments | | | 6 827 | 6 594 |
| **29.** | **Accruals** | | | |
| | **Listed by standard Item** | | | |
| | Administrative expenditure | | | 18 | - |
| | Inventories | | | 34 | - |
| | Equipment | | | 70 | 3 661 |
| | Professional and special services | | | 15 | - |
| | | | | 137 | 3 661 |
| | **Listed by programme level** | | | |
| | Administration | | | 5 | 629 |
| | Sustainable resources management and use | | | 87 | 25 |
| | National agricultural regulatory services | | | 40 | 893 |
| | Communication and information management | | | 5 | - |
| | Agricultural communication, planning and evaluation | | | - | 2 114 |
| | | | | 137 | 3 661 |
| **30.** | **Employee benefits** | | | |
| | Leave entitlement | | | 37 501 | 34 889 |
| | Leave payout in the event of death, retirement and medical boarding | | | 34 602 | 34 249 |
| | Leave payout for casual employees | | | 17 | 115 |
| | Leave payout in the event of service termination | | | 2 860 | 489 |
| | Leave payout in the event of long service recognition | | | 22 | 36 |
| | Thirteenth cheques | | | 7 959 | - |
| | Performance bonus | | | 4 049 | 744 |
| | | | | 49 509 | 35 633 |
| **31.** | **Leases** | | | |
| | **Operating leases** | **Property** | **Equipment** | **Total** | **Total** |
| | Not later than 1 year | | | |
| | Acceptance technologies | - | 2 | 2 | - |
| | Bovidae Investments | - | 2 | 2 | 1 |
| | Katlego | - | 12 | 12 | - |
| | Minolco | - | 383 | 383 | - |
| | Nashua | - | 641 | 641 | - |
| | Xerox | - | 47 | 47 | - |
| | Later than 1 year and not later than 3 years | | | |
| | BOE Bank | - | - | - | 65 |
| | Bovidae Investments | - | - | - | 1 |
| | Gestetner | - | - | - | 41 |
| | Katlego | - | 5 | 5 | 46 |
| | Minolco | - | 222 | 222 | 780 |
| | Nashua | - | 264 | 264 | 467 |
| | Xerox | - | - | - | 497 |
| | | - | 1 578 | 1 578 | 1 897 |

# DEPARTMENT OF AGRICULTURE
# VOTE 26

## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

| | | 2003/04 R'000 | 2002/03 R'000 |
|---|---|---|---|
| 32. | **Irregular expenditure** | | |
| 32.1 | **Movement Schedule of irregular expenditure** | | |
| | Opening Balance | 3 843 | 3 740 |
| | Irregular expenditure - current year | 60 | 103 |
| | Expenditure waiting condonement | 3 903 | 3 843 |
| | **Analysis** | | |
| | Current | 60 | - |
| | Prior Years | 3 843 | - |
| | | 3 903 | - |
| 32.2 | **Not condoned expenditure** | | |

| Incident | Disciplinary steps taken/ criminal proceedings | | |
|---|---|---|---|
| A workshop was held by the Directorate: Agricultural Finance and Co-operative Development and the accommodation amount exceeded the approved amount. | A warning letter was issued by the relevant Assistant Director-General to the Senior Manager concerned. | 22 | - |
| | | 22 | - |

| | | | |
|---|---|---|---|
| 33. | **Key management personnel** | | |
| 33.1 | **Remuneration** | | |
| | Minister | 762 | |
| | Deputy Minister | 634 | |
| | Director-General | 884 | |
| | Chief Operating Officer | 506 | |
| | 3 X Deputy Directors-General | 1 504 | |
| | 7 X Assistant Directors-General | 3 502 | |
| | 37 X Senior Managers | 12 485 | |
| | | 20 277 | |
| 33.2 | **Other remuneration and compensation provided to key management and close members of the family of key management personnel** | | |

The total amount of all other remuneration and compensation provided to key management during the reporting period showing separately the aggregate amounts provided to:

- Deputy Director-General: Agriculture Economics and Business Development. Compensation received from the Land and Agricultural Bank of South Africa for services as a Director. 96

| | | | |
|---|---|---|---|
| | | 96 | |
| 34. | **Gifts, donations and sponsorships** | | |
| | **Nature of gift, donation or sponsorship** | | |
| | Esprit de Corps: Received for team building day from sources outside the Department | 25 | 27 |
| | | 25 | 27 |
| 35. | **Biological / Cultivated assets** | | |
| | **Biological / Cultivated assets on hand** | | |
| | Livestock (1) | 803 | 1 012 |
| | | 803 | 1 012 |

(1) Stock kept at the Grootfontein Agricultural Development Institute is used to promote knowledge and skills in stock farming through formal and informal training. Stock is valued at book value in accordance to paragraph 12.6 of the approved departmental Book of Tariffs (cattle = 83; goats = 283; sheep = 1 806).

## DEPARTMENT OF AGRICULTURE
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## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

### ANNEXURE 1A

### STATEMENT OF CONDITIONAL GRANTS TO PROVINCES BY THE DEPARTMENT AS AT 31 MARCH 2004

| Province | GRANT ALLOCATION | | | | EXPENDITURE | | | | | SPENT | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Division of Revenue Act | Adjust-ments Estimates | Roll Overs | Total Available | Actual Transfer | Amount not Transferred | % of Available Transferred | Capital | Cur-rent | Actual Amount Received | Actual Amount Spent | % of Amount Transferred Spent |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 | R'000 | R'000 | |
| **INFRASTRUCTURE DEVELOP-MENT AND POVERTY RELIEF** | | | | | | | | | | | | |
| Eastern Cape Province | 8 000 | - | - | 8 000 | 8 000 | - | 100,0 | 8 024 | | 8 000 | 8 024 | 100,3 |
| Free State Province | 1 800 | - | - | 1 800 | 1 800 | - | 100,0 | 1 800 | | 1 800 | 1 800 | 100,0 |
| Gauteng Province [1] | 1 600 | - | - | 1 600 | - | 1 600 | - | - | | - | - | - |
| KwaZulu-Natal Province | 6 500 | - | - | 6 500 | 6 500 | - | 100,0 | 5 884 | | 6 500 | 5 884 | 90,5 |
| Mpumalanga Province | 3 500 | - | - | 3 500 | 3 500 | - | 100,0 | 3 500 | | 3 500 | 3 500 | 100,0 |
| Northern Cape Province | 1 800 | - | - | 1 800 | 1 800 | - | 100,0 | 1 727 | | 1 800 | 1 727 | 95,9 |
| Limpopo Province | 8 000 | - | - | 8 000 | 8 000 | - | 100,0 | 8 000 | | 8 000 | 8 000 | 100,0 |
| North West Province | 5 000 | - | - | 5 000 | 5 000 | - | 100,0 | 5 000 | | 5 000 | 5 000 | 100,0 |
| Western Cape Province | 1 800 | - | - | 1 800 | 1 800 | - | 100,0 | 1 757 | | 1 800 | 1 757 | 97,6 |
| | 38 000 | - | - | 38 000 | 36 400 | 1 600 | 95,8 | 35 692 | | 36 400 | 35 692 | 98,0 |

**(1) Gauteng Province declined the allocation – the amount will not be rolled over and is surrendered to the Exchequer**

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ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004

ANNEXURE 1B

STATEMENT OF TRANSFERS TO PUBLIC ENTITIES BY THE DEPARTMENT AS AT 31 MARCH 2004

| Entity | TRANSFER ALLOCATION | | | | EXPENDITURE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Appropriation Act | Adjustments Estimate | Roll Overs | Total Available | Actual Transfer | Amount not Transferred | % of Available Transferred | Capital | Current |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| National Agricultural Marketing Council | 6 114 | 3 995 | - | 10 109 | 10 109 | - | 100,0 | - | 10 109 |
| Agricultural Research Council | 300 013 | 9 000 | - | 309 013 | 309 013 | - | 100,0 | 27 047 | 281 966 |
| Ncera Farms | 1 500 | 85 | - | 1 585 | 1 585 | - | 100,0 | - | 1 585 |
| | 307 627 | 13 080 | - | 320 707 | 320 707 | - | | 27 047 | 293 660 |

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## ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

### ANNEXURE 1C

### STATEMENT OF OTHER TRANSFERS BY THE DEPARTMENT AS AT 31 MARCH 2004

| Entity | TRANSFER ALLOCATION | | | | EXPENDITURE | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Appropriation Act | Adjustments Estimate | Roll Overs | Total Available | Actual Transfer | Amount not Transferred | % of Available Transferred | Capital | Current |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Village Bank Assistance [1] | - | 438 | - | 438 | 380 | 58 | 86,8 | - | 380 |
| Flood Relief Scheme | 85 000 | (85 000) | - | - | - | - | - | - | - |
| Agricultural Disaster Management | - | 245 000 | - | 245 000 | 244 792 | 208 | 99,9 | - | 244 792 |
| National Red Meat Producers Organisation | - | 185 | - | 185 | - | 185 | - | - | - |
| Co-operative Development Initiative | - | 180 | - | 180 | 180 | - | 100,0 | - | 180 |
| International Conference of Agricultural Economists | - | 200 | - | 200 | - | 200 | - | - | - |
| | 85 000 | 161 003 | - | 246 003 | 245 352 | 651 | | - | 245 352 |

**(1) The account amounted to R380 000.**

## DEPARTMENT OF AGRICULTURE
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## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

### ANNEXURE 2A
### STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY CONTROLLED ENTITIES AS AT 31 MARCH 2004

| Name of public entity | Nature of public entities business | Relevant Act | Entity's PFMA Schedule type | % Held | Number of shares held | | Cost of investment R'000 | | Profit/(Loss) for the year R'000 | | Are the losses guaranteed | Amounts owing to R'000 | | Amounts owing by R'000 | | AO value of investment R'000 | Audit Report status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 2003/2004 | 2002/2003 | 2003/2004 | 2002/2003 | 2002/2003 | 2001/2002 | Yes/No | 2003/2004 | 2002/2003 | 2003/2004 | 2002/2003 | | U/Q/A/D* |
| Ncera Farms | Promote farming and related activities in the Kidd's Beach district | Companies Act, 1973 (Act No. 61 of 1973) | 3B | 100 | 1 000 | 1 000 | - | - | (317) | (237) | NO | - | - | - | - | 1 | Q |
| Onderstepoort Biological Products | Manufacturing of vaccines and related products to animal health care industries | Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999) | 3B | 100 | 1 000 | 1 000 | - | - | 19 147 | 8 039 | NO | - | - | 74 | 427 | 1 | U |
| | | | | | 2 000 | 2 000 | - | - | 18 830 | 7 802 | | - | - | 74 | 427 | 2 | |

* Note: Q = Qualified, U = Unqualified

# DEPARTMENT OF AGRICULTURE
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## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

## ANNEXURE 3
## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004
## DOMESTIC

| Guaranteed institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 01/04/2003 | Guarantees issued during the year | Guarantees released during the year | Guaranteed interest outstanding 31/03/2004 | Closing balance 31/03/2004 | Realised losses i.r.o. claims paid out |
|---|---|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Land Bank | Grain loans to Co-operatives | 200 000 | 11 936 | - | - | 383 | 7 096 | - |
| Land Bank | Consolidation of debt under mort-gage loans (2+20 years) | 100 000 | 92 728 | - | - | - | 92 728 | - |
| Standard bank | Housing loans | 687 | 774 | 53 | 198 | - | 629 | - |
| Cape Good Hope Bank | | 26 | 26 | - | - | - | 26 | - |
| Nedbank LTD | | 251 | 252 | 82 | 48 | - | 286 | - |
| First Rand Bank FNB | | 425 | 438 | 131 | 113 | - | 456 | - |
| BOE Bank LTD | | 16 | 16 | - | - | - | 16 | - |
| Nedbank (incl. BOE Bank) | | 59 | 55 | 18 | 14 | - | 59 | - |
| ABSA | | 1 239 | 1 250 | 268 | 288 | - | 1 230 | - |
| Old Mutual Bank | | 17 | 60 | 8 | 43 | - | 25 | - |
| Peoples Bank (FBC FID) | | 84 | 101 | - | 17 | - | 84 | - |
| Peoples Bank (NBS Div) | | 216 | 216 | - | 36 | - | 180 | - |
| FNB (Formerly Saambou) | | 521 | 746 | - | 321 | - | 425 | 12 |
| Old Mutual Bank (NEDB/PERM) | | 454 | 564 | - | 134 | - | 430 | - |
| United Bank | | 12 | 12 | - | - | - | 12 | - |
| VBS Mutual Bank | | 18 | 18 | - | 18 | - | - | - |
| GBS Mutual Bank | | - | - | 16 | - | - | 16 | - |
| Green Start Home Loans | | 17 | 17 | - | - | - | 17 | - |
| | | 304 042 | 109 209 | 576 | 1 230 | 383 | 103 715 | 12 |

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004

## ANNEXURE 4

## PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

| PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/2004 | Opening balance | Additions | Disposals | Transfers in | Transfers out | Closing balance |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| **LAND AND BUILDINGS** | 39 | 794 | - | - | - | 833 |
| Dwellings | 11 | 770 | - | - | - | 781 |
| Non-residential buildings | 28 | 24 | - | - | - | 52 |
| **MACHINERY AND EQUIPMENT** | 17 365 | 13 740 | - | - | - | 31 105 |
| Computer equipment | 5 307 | 4 819 | - | - | - | 10 126 |
| Furniture and office equipment | 576 | 462 | - | - | - | 978 |
| Other machinery and equipment | 8 498 | 4 903 | - | - | - | 13 401 |
| Transport assets | 3 044 | 3 556 | - | - | - | 6 600 |
| | 17 404 | 14 534 | - | - | - | 31 938 |

| PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03 | Opening balance | Additions | Disposals | Transfers in | Transfers out | Closing balance |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| **LAND AND BUILDINGS** | - | 39 | - | - | - | 39 |
| Dwellings | - | 11 | - | - | - | 11 |
| Non-residential buildings | - | 28 | - | - | - | 28 |
| **MACHINERY AND EQUIPMENT** | - | 17 365 | - | - | - | 17 365 |
| Computer equipment | - | 5 307 | - | - | - | 5 307 |
| Furniture and office equipment | - | 576 | - | - | - | 567 |
| Other machinery and equipment | - | 8 498 | - | - | - | 8 498 |
| Transport assets | - | 3 044 | - | - | - | 3 044 |
| | - | 17 404 | - | - | - | 17 404 |

**Note: Capital expenditure as indicated on the Income Statement includes payments for goods and services not regarded as A-class accountable items.**

## DEPARTMENT OF AGRICULTURE
## VOTE 26

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
## for the year ended 31 MARCH 2004

### ANNEXURE 5

### INTER-DEPARTMENTAL RECEIVABLES – CURRENT

| Department | Confirmed balance outstanding | | Unconfirmed balance outstanding | |
|---|---|---|---|---|
| | 31/03/2004 | 31/03/2003 | 31/03/2004 | 31/03/2003 |
| | R'000 | R'000 | R'000 | R'000 |
| **National Departments:** | | | | |
| Department of Foreign Affairs | - | - | 34 | - |
| South African National Defence Force | - | - | 8 | 4 |
| National Treasury | 9 | - | - | - |
| Department of Trade and Industry | - | 1 | 133 | - |
| Department of Justice and Constitutional Development | - | - | 104 | - |
| South African Police Service | - | 4 | - | - |
| **Gauteng Provincial Department:** | | | | |
| Department of Agriculture, Conservation, Environment and Land Affairs | - | - | 23 | 35 |
| Department of Transport, Roads and Public Works | - | - | - | 17 |
| Department of Health | - | 8 | - | 2 |
| Department of Housing | - | 3 | - | - |
| **Mpumalanga Provincial Department:** | | | | |
| Department of Education | - | - | 12 | - |
| Department of Public Works, Roads and Transport | - | - | 10 | 51 |
| Department of Agriculture, Conservation and Environment | - | 25 | 85 | 58 |
| **North-West Provincial Department:** | | | | |
| Department of Agriculture, Conservation and Environment | - | - | 185 | 2 |
| Department of Roads and Public Works | 13 | - | - | - |
| Department of Health | - | - | 10 | - |
| **Limpopo Provincial Department:** | | | | |
| Department of Agriculture | - | - | 19 | 2 |
| Department of Public Works, Roads and Transport | - | - | - | 3 |
| Department of Health | - | 3 | - | - |
| **KwaZulu Natal Provincial Department:** | | | | |
| Department of Agriculture & Environmental Affairs | - | - | 17 | - |
| **Northern Cape Provincial Department:** | | | | |
| Department of Agriculture, Land Reform, Environment & Conservation | - | - | 44 | - |
| Department of Health | | | | |
| **Free State Provincial Department:** | | | | |
| Department of Agriculture | - | - | 21 | 1 |
| **Eastern Cape Provincial Department:** | | | | |
| Department of Agriculture and Land Affairs | - | - | - | 1 |
| **Western Cape Provincial Department:** | | | | |
| Department of Transport and Public Works | - | - | - | 18 |
| **TOTAL** | **22** | **44** | **705** | **194** |

DEPARTMENT OF AGRICULTURE
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2004

## ANNEXURE 6

## INTER-DEPARTMENTAL PAYABLES – CURRENT

| Department | Confirmed balance outstanding | | Unconfirmed balance outstanding | |
|---|---|---|---|---|
| | 31/03/2004 | 31/03/2003 | 31/03/2004 | 31/03/2003 |
| | R'000 | R'000 | R'000 | R'000 |
| Western Cape Provincial Department of Agriculture | 250 | - | 34 | - |
| Department of Transport | - | - | 33 | - |
| South African Management Development Institute (SAMDI) | 4 | - | 28 | - |
| Department of Justice | 463 | - | 42 | - |
| South African Police Service | - | - | 261 | - |
| Department of Transport and Public Works | - | 266 | - | 1,231 |
| **TOTAL** | **717** | **266** | **398** | **1,231** |

## AGRICULTURAL DEBT ACCOUNT

### BALANCE SHEET
### as at 31 MARCH 2004

| | Note | 18 March 2003 – 31 March 2004 R | 1 April 2002 – 17 March 2003 R |
|---|---|---|---|
| **ASSETS** | | | |
| **Non current assets** | | **1 224 023 410** | **1 223 907 711** |
| Investment | 2 | 1 025 953 422 | 996 987 746 |
| Long-term loans to farmers | 3.1 | 198 069 988 | 226 919 965 |
| **Current assets** | | **420 994 719** | **398 039 719** |
| Short-term portion of long-term loans | 3.2 | 186 651 684 | 177 314 344 |
| Accounts receivable | 4 | 231 497 341 | 212 319 107 |
| Cash and cash equivalents | 5 | 2 845 694 | 8 406 268 |
| | | **1 645 018 129** | **1 621 947 430** |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | **1 644 449 379** | **1 621 942 411** |
| Accumulated reserves | | 1 644 449 379 | 1 621 942 411 |
| **Current liabilities** | | **568 750** | **5 019** |
| Accounts payable | | 568 750 | 5 019 |
| | | **1 645 018 129** | **1 621 947 430** |

## AGRICULTURAL DEBT ACCOUNT

### INCOME STATEMENT
### for the period 18 MARCH 2003 to 31 MARCH 2004

| | Note | 18 March 2003 – 31 March 2004 R | 1 April 2002 – 17 March 2003 R |
|---|---|---|---|
| **INCOME** | | | |
| Revenue | 6 | 63 702 775 | 22 344 960 |
| Sundry income | | 10 181 | 2 447 |
| **Total income** | | **63 712 956** | **22 347 407** |
| **EXPENDITURE** | | | |
| Bank charges | | 21 434 | 885 |
| Bond protection | 7 | 915 243 | 1 309 915 |
| Irrecoverable amounts written off | | 36 269 311 | 24 402 722 |
| Provision for doubtful debts | | 4 000 000 | 32 000 000 |
| **Total expenditure** | | **41 205 988** | **57 713 522** |
| **Retained (deficit)/surplus for the year** | | 22 506 968 | (35 366 115) |
| Accumulated funds - beginning of the period | | 1 621 942 411 | 1 657 308 526 |
| Accumulated funds - end of the period | | **1 644 449 379** | **1 621 942 411** |

## AGRICULTURAL DEBT ACCOUNT

### STATEMENT OF CHANGES IN EQUITY
### for the period 18 MARCH 2003 to 31 MARCH 2004

| | Accumulated reserves R |
|---|---|
| Balance at 1 April 2001 | **1 598 218 153** |
| Retained surplus for the year | 59 090 373 |
| Balance at 1 April 2002 | **1 657 308 526** |
| Retained (deficit) for the period | (35 366 115) |
| Balance at 18 March 2003 | **1 621 942 411** |
| Retained surplus for the period | 22 506 968 |
| Balance at 31 March 2004 | **1 644 449 379** |

## AGRICULTURAL DEBT ACCOUNT

## CASH FLOW STATEMENT
## for the period 18 MARCH 2003 to 31 MARCH 2004

| | Note | 18 March 2003 – 31 March 2004 R | 1 April 2002 – 17 March 2003 R |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated by operating activities | 9.1 | 20 437 457 | 102 122 797 |
| Interest received | | 2 967 645 | - |
| Net cash from operating activities | | **23 405 102** | **102 122 797** |
| **Cash flows from financing activities** | | | |
| Increase in investment | | 28 965 676 | 97 000 000 |
| Net cash utilised in financing activities | | **28 965 676** | **97 000 000** |
| Increase/(Decrease) in cash and cash equivalents | | (5 560 574) | 5 122 797 |
| Cash and cash equivalents at the beginning of the period | 9.2 | 8 406 268 | 3 283 471 |
| Cash and cash equivalents at the end of the period | 9.2 | **2 845 694** | **8 406 268** |

## AGRICULTURAL DEBT ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS
### for the period 18 MARCH 2003 to 31 MARCH 2004

**1. Accounting policies**

The financial statements are prepared on the historical cost basis. These financial statements are prepared in accordance with generally accepted accounting practices except where stated otherwise. The implementation of the Basic Accounting System by the Department and termination of the related accounting interface with the Financial Management System for the Agricultural Debt Account (ADA), resulted in the prior period end figures being updated only up to 17 March 2003 and accordingly the new financial period commenced on 18 March 2003. The following are the principal accounting policies used by the Agricultural Debt Account, which are consistent with those of the previous period.

**1.1 Income recognition**

Income is recognised on a time proportion basis.

**1.2 Provision for doubtful debt**

The basis for the calculation of the provision for doubtful debts for the previous and the current periods was determined using an estimate of future write-offs, taking into account the statistical information of prior years.

**1.3 Investments**

Surplus funds are invested at the Corporation for Public Deposits at a zero interest rate due to a Cabinet approval dated 24 January 1996 to this regard.

**1.4 Loans**

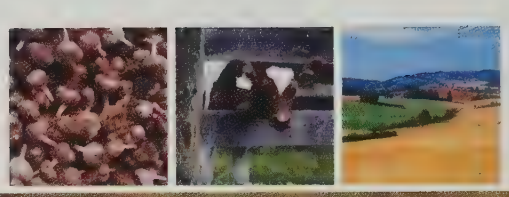
Repayments and interest on loans are made and levied as per individual agreement. Various interest rates are applicable. Loans to farmers are indicated in the financial statements at an estimated realisable value after taking the provision for doubtful debt into account.

**1.5 Interest on loans written off**

The Debtors System does not distinguish between accounts identified to be written off and as a result continues to accrue for interest up to the date that the debt is written off.

**1.6 Bond protection**

Costs related to the purchase of immovable properties are expensed in terms of section 8(1)(d) of the Agricultural Debt Management Act, 2001 (Act 45 of 2001) (ADMA) and the property is transferred to the Directorate: Farmer Settlement by the Agricultural Debt Account (ADA).



## AGRICULTURAL DEBT ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS
### for the period 18 MARCH 2003 to 31 MARCH 2004

**1.7 Financial instruments**

The Department did not report on Financial Instruments. Exemption to comply with reporting in terms of AC 133 was granted by the National Treasury.

| | | 18 March 2003 – 31 March 2004 R | 1 April 2002 – 17 March 2003 R |
|---|---|---|---|
| **2.** | **Investment** | | |
| | On 24 January 1996 Cabinet approved that the payment of interest on this investment of the Agricultural Debt Account be suspended in order to ensure the maintenance of fiscal discipline. | **1 025 953 422** | **996 987 746** |
| **3.** | **Loans to farmers** | | |
| **3.1** | **Long-term loans to farmers** | **198 069 988** | **226 919 965** |
| **3.2** | **Short-term loans** | | |
| | Short-term portion of long-term loans | 25 180 340 | 27 851 134 |
| | Capital payable | 225 223 029 | 213 514 169 |
| | *Less*: Provision for capital portion of bad debts | (63 751 686) | (64 050 959) |
| | | **186 651 683** | **177 314 344** |
| **4.** | **Accounts receivable** | | |
| | Interest | 269 046 227 | 245 670 708 |
| | *Less*: Provision for interest portion of bad debts | (38 248 314) | (33 949 041) |
| | Rental debt | 348 835 | 416 546 |
| | Receivables | 350 593 | 83 842 |
| | Outstanding deposits | - | 97 054 |
| | | **231 497 341** | **212 319 107** |
| **5.** | **Cash and cash equivalents** | | |
| | Bank balance | 2 845 694 | 6 186 694 |
| | Deposit in transit from the Department | - | 2 219 574 |
| | | **2 845 694** | **8 406 268** |
| **6.** | **Revenue** | | |
| | Interest income | 38 410 812 | 44 950 048 |
| | Interest exceeding capital | - | (22 899 610) |
| | Rental raised | - | 660 |
| | Interest received on positive bank balance | 2 967 645 | - |
| | Interest adjustment | 22 324 318 | - |
| | Current account | - | 632 416 |
| | Cheques from previous year revenue returned to drawer | - | (99 235) |
| | Payments from revenue | - | (239 319) |
| | | **63 702 775** | **22 344 960** |

## AGRICULTURAL DEBT ACCOUNT

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS
## for the period 18 MARCH 2003 to 31 MARCH 2004

The verifying and reconciliation of all debtors accounts was started during the 2003/04 financial year in an effort to identify all accounts overstated due to the *in duplum rule* which was not implemented on the Debtors System. All debts where the interest was higher than the capital outstanding were rectified and the Debtors System amended to at all times adhere to the rule, ensuring that no accounts are overstated. The cases where interest exceeded capital amounted to R21,5 million as at 29/7/2003 and was rectified programmatically. The reconciliation process identified 214 debt accounts to the amount of R1,4 million where the difference due to interest exceeding capital had to be rectified manually.

**7. Bond protection**

The following immovable properties were purchased during the financial year:

**a) 4.3.2.4-244-00221 Debtor: R Govender**

**Property purchased:** Portion 33 of Sub 25 No 1955, Registration Division ET
**Province:** KwaZulu Natal, in extent 3,3589 hectares
**Market value** : R12 730.00
**Purchase amount** : R12 730.00

**b) 4.3.2.4-132-015112 Debtor: H C Hyman**

**Property purchased:** Portion 3 (a portion of Portion 1) of the farm Khorkham 329, Registration Division Gordonia
**Province:** Northern Cape, in extent 4282,6557 hectares
**Market value** : R860 000.00
**Purchase amount** : R760 000.00

Refer to Note 1.6 which states the manner of accounting for these items

| | 18 March 2003 – 31 March 2004 R | 1 April 2002 – 17 March 2003 R |
|---|---|---|
| **8. Provision for doubtful debts** | | |
| Opening balance | 98 000 000 | 66 000 000 |
| Adjustment for the current period | 4 000 000 | 32 000 000 |
| Closing balance | **102 000 000** | **98 000 000** |
| **9. Notes to the cash flow statement** | | |
| **9.1 Reconciliation between retained surplus & cash generated by operating activities:** | | |
| Retained surplus for the period | 22 506 968 | (35 366 115) |
| Adjustment for: | | |
| Interest received | (2 967 645) | - |
| | 19 539 323 | (35 366 115) |
| Movements in working capital: | | |
| Decrease in loans and accounts receivable | 334 403 | 137 483 893 |
| Increase/(decrease) in accounts payable | 563 731 | 5 019 |
| | **20 437 457** | **102 122 797** |

## AGRICULTURAL DEBT ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS
### for the period 18 MARCH 2003 to 31 MARCH 2004

| | | 18 March 2003 – 31 March 2004 R | 1 April 2002 – 17 March 2003 R |
|---|---|---|---|
| 9.2 | **Cash and cash equivalents** | | |
| | Cash and cash equivalents for the current period consists only of balances held with commercial banks. Cash and cash equivalents included in cash flow statement comprise the following balance sheet amounts | **2 845 694** | **8 406 268** |
| | Cash and cash equivalents | **2 845 694** | **8 406 268** |

human resources management

# human resources management

## STATISTICS ON HUMAN RESOURCES MANAGEMENT

With the lifting of the moratorium on the filling of posts by the Department of Public Service and Administration (DPSA) during the period under review, the vacancy rate has increased from 20,6 % to 29,2 %. As a result of restructuring the department's overall establishment has also increased by 7,35 %. Some of the vacant posts which were not funded before restructuring, have only been funded in the 2004/05 financial year. Since the lifting of the moratorium by the DPSA, approximately 50 % of vacant posts have been filled.

As far as job evaluation is concerned, a total of 248 posts were evaluated in terms of the Public Service Regulations' mandate. All Senior Management Service posts on the approved structure of the department were evaluated. During the 2003/04 financial year, the departmental Performance Management System policy was reviewed and amended to align it with organisational performance and to include the incentive policy framework as prescribed by the DPSA. The amended system was approved and implemented as the Employee Performance Management System policy in August 2003. The Directorate Human Resources Management provided training to management and all officials in the department on the implementation of the amended performance management system.

During the year under review the unit facilitated the reinstatement of the sub-transformation forums in all directorates. This process resulted in effective monitoring and the implementation of transformation programmes and policies. The development of various policies, including one aimed at accelerating the development and capacity building of black professionals, was facilitated.

Top management is 100 % black of which 60 % are women. In the management echelons, black women accounted slightly more than 35 %.

With regard to health and wellness the department has designed an integrated tool to reduce the impact of potential hazards/risks, as well as social, physical and biological stressors directly or indirectly affecting service delivery and employee performance in the respective work environments.

Although the use of sick leave and temporary incapacity leave are within acceptable levels, the department has instituted various measures to verify requests for temporary incapacity leave. The appointment of three Health Risk Managers, who will serve on a rotational basis, will further enhance leave control in the department.

With regard to labour relations, priority was given to the implementation of the new grievance procedure for the Public Service, proactive visits to offices experiencing labour problems as well as comprehensive capturing of data resulting from labour issues in the department. The new delegations have facilitated the speedy processing of misconduct cases. Currently there are no backlogs in the finalisation of disputes, grievances and misconduct in the department.

## 1. EXPENDITURE

The following tables summarise final audited expenditure by programme (Table 1.1) and by salary bands (Table 1.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**TABLE 1.1** PERSONNEL COSTS BY PROGRAMME

| Programme | Total expenditure (R'000) | Personnel expenditure (R'000) | Training expenditure (R'000) | Professional and special services (R'000) | Personnel cost as % of total expenditure | Average personnel cost per employee (R'000) | Employment |
|---|---|---|---|---|---|---|---|
| 1. Administration | 157 100 | 79 892 | 773 | 15 740 | 50,85 | 142 | 564 |
| 2. Farmer Support and Development | 282 007 | 10 584 | 105 | 17 833 | 3,75 | 134 | 79 |
| 3. Agricultural Trade and Business Development | 22 537 | 7 036 | 39 | 1 201 | 31,22 | 243 | 29 |
| 4. Agricultural Research and Economic Analysis | 13 430 | 7 205 | 9 | 4 618 | 53,65 | 168 | 43 |
| 5. Agricultural Production | 7 153 | 4 050 | 45 | 1 003 | 56,62 | 127 | 32 |
| 6. Sustainable Resources Management and Use | 431 871 | 43 290 | 309 | 8 228 | 10,02 | 86 | 502 |
| 7. National Agricultural Regulatory Services | 180 349 | 90 709 | 919 | 33 589 | 50,3 | 108 | 843 |
| 8. Planning, Monitoring, Evaluation and Communication | 81 866 | 33 830 | 457 | 2 352 | 41,32 | 117 | 288 |
| **TOTAL** | **1 176 313** | **276 596** | **2 656** | **84 564** | **23,51** | **1 125** | **2 380** |

**TABLE 1.2** PERSONNEL COSTS BY SALARY BAND

| Salary bands | Personnel expenditure (R'000) | % of total personnel costs | Average personnel cost per employee (R'000) | Total personnel expenditure | Number of employees |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 41 036 | 15,2 | 52 275 | 269 902 | 785 |
| Skilled (Levels 3-5) | 26 999 | 10 | 68 179 | 269 902 | 396 |
| Highly skilled production (Levels 6-8) | 122 371 | 45,3 | 131 159 | 269 902 | 933 |
| Highly skilled supervision (Levels 9-12) | 54 941 | 20,4 | 249 732 | 269 902 | 220 |
| Senior management (Levels 13-16) | 24 555 | 9,1 | 558 068 | 269 902 | 44 |
| **TOTAL** | **269 902** | **100** | **113 500** | **269 902** | **2 378** |

The following tables provide a summary per programme (Table 1.3) and salary bands (Table 1.4), of expenditure incurred as a result of salaries, overtime, home owner's allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**TABLE 1.3** SALARIES, OVERTIME, HOME OWNER'S ALLOWANCE (HOA) AND MEDICAL AID BY PROGRAMME

| Programme | Salaries (R'000) | Salaries as % of personnel cost | Overtime (R'000) | Overtime as % of personnel cost | HOA (R'000) | HOA as % of personnel cost | Medical assistance (R'000) | Medical ass. as % of personnel cost | Total personnel cost (R'000) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 50 432 | 63,13 | 1 910 | 2,39 | 1 584 | 1,98 | 4 130 | 5,17 | 79 892 |
| 2 | 7 142 | 67,48 | | | 197 | 1,86 | 420 | 3,97 | 10 584 |
| 3 | 4 781 | 67,95 | | | 120 | 1,71 | 354 | 5,03 | 7 036 |
| 4 | 5 027 | 69,77 | | | 149 | 2,07 | 284 | 3,94 | 7 205 |
| 5 | 2 868 | 70,81 | | | 89 | 2,2 | 186 | 4,59 | 4 050 |
| 6 | 30 809 | 71,17 | 220 | 0,51 | 732 | 1,69 | 2 385 | 5,51 | 43 290 |
| 7 | 58 860 | 64,89 | 8 769 | 9,67 | 1 644 | 1,81 | 4 055 | 4,47 | 90 709 |
| 8 | 22 140 | 65,06 | 365 | 1,09 | 408 | 1,21 | 1 587 | 4,45 | 33 830 |
| **TOTAL** | **182 059** | **65,82** | **11 264** | **4,07** | **4 923** | **1,78** | **13 401** | **4,84** | **276 596** |

**TABLE 1.4** SALARIES, OVERTIME, HOME OWNER'S ALLOWANCE (HOA) AND MEDICAL AID BY SALARY BAND

| Salary bands | Salaries (R'000) | Salaries as % of person-nel cost | Overtime (R'000) | Overtime as % of person-nel cost | HOA (R'000) | HOA as % of person-nel cost | Medical assistance | Medical ass. as % of person-nel cost | Total person-nel cost (R'000) |
|---|---|---|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 28 201 | 68,7 | 482 | 1,2 | 568 | 1,4 | 1 872 | 4,6 | 41 036 |
| Skilled (Levels 3-5) | 18 870 | 69,9 | 531 | 2 | 613 | 2,3 | 1 810 | 6,7 | 26 999 |
| Highly skilled production (Levels 6-8) | 83 498 | 68,2 | 3 137 | 2,6 | 2 621 | 2,1 | 7 085 | 5,8 | 122 371 |
| Highly skilled supervision (Levels 9-12) | 38 293 | 69,7 | 322 | 0,6 | 855 | 1,6 | 1 954 | 3,6 | 54 941 |
| Senior management (Levels 13-16) | 13 481 | 54,9 | 0 | 0 | 297 | 1,2 | 856 | 3,5 | 24 555 |
| **TOTAL** | **182 343** | **67,6** | **4 472** | **1, 7** | **4 954** | **1,8** | **13 577** | **5** | **269 902** |

## 2. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff who are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 2.1), salary band (Table 2.2) and critical occupations (Table 2.3). Departments have identified critical occupations that need to be monitored. Table 2.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

**TABLE 2.1** EMPLOYMENT AND VACANCIES BY PROGRAMME AT END OF PERIOD

| Programme | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| 1. Administration, Permanent | 683 | 564 | 17,4 | 1 |
| 2. Farmer Support and Development, Permanent | 187 | 79 | 57,8 | 10 |
| 3. Agricultural Trade and Business Development, Permanent | 87 | 29 | 66,7 | 1 |
| 4. Economic Research and Analysis, Permanent | 85 | 43 | 49,4 | 0 |
| 5. Agricultural Production, Permanent | 92 | 32 | 65,2 | 0 |
| 6. Sustainable Resources Management and Use, Permanent | 611 | 502 | 17,8 | 0 |
| 7. National Regulatory Services, Permanent | 1 221 | 843 | 31 | 26 |
| 8. Planning, Monitoring, Evaluation and Communication, Permanent | 397 | 288 | 27,5 | 2 |
| **TOTAL** | **3 363** | **2 380** | **29,2** | **40** |

**TABLE 2.2** EMPLOYMENT AND VACANCIES BY SALARY BAND AT END OF PERIOD

| Salary band | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Lower skilled (Levels 1-2), Permanent | 913 | 785 | 14 | 5 |
| Skilled (Levels 3-5), Permanent | 491 | 396 | 19,3 | 3 |
| Highly skilled production (Levels 6-8), Permanent | 1 353 | 933 | 31 | 28 |
| Highly skilled supervision (Levels 9-12), Permanent | 547 | 220 | 59,8 | 4 |
| Senior management (Levels 13-16), Permanent | 57 | 44 | 22,8 | 0 |
| **TOTAL** | **3 361** | **2 378** | **29,2** | **40** |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Administrative related, Permanent | 169 | 70 | 58,6 | 3 |
| Agricultural animal, oceanography, forestry and other science, Permanent | 122 | 84 | 31,1 | 0 |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD *(CONTINUED)*

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Agriculture related, Permanent | 278 | 86 | 69,1 | 0 |
| Aircraft pilots and related associate professionals, Permanent | 1 | 1 | 0 | 0 |
| All artisans in the building, metal, machinery, etc, Permanent | 71 | 57 | 19,7 | 0 |
| Appraisers, valuers and related professionals, Permanent | 14 | 9 | 35,7 | 0 |
| Archivists, curators and related professionals, Permanent | 2 | 0 | 100 | 0 |
| Artisan project and related superintendents, Permanent | 2 | 0 | 100 | 0 |
| Auxiliary and related workers, Permanent | 83 | 65 | 21,7 | 3 |
| Biochemistry, pharmacology, zoology and life science technicians, Permanent | 108 | 91 | 15,7 | 0 |
| Bus and heavy vehicle drivers, Permanent | 7 | 7 | 0 | 0 |
| Chemists, Permanent | 3 | 3 | 0 | 0 |
| Civil engineering technicians, Permanent | 1 | 0 | 100 | 0 |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD *(CONTINUED)*

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Cleaners in offices, workshops, hospitals, etc, Permanent | 111 | 105 | 5,4 | 0 |
| Client information clerks (switchboard, reception and information clerks), Permanent | 8 | 8 | 0 | 0 |
| Communication and information related, Permanent | 10 | 5 | 50 | 0 |
| Computer programmers, Permanent | 3 | 0 | 100 | 0 |
| Computer system designers and analysts, Permanent | 1 | 1 | 0 | 0 |
| Custodian personnel, Permanent | 2 | 0 | 100 | 0 |
| Diplomats, Permanent | 1 | 0 | 100 | 0 |
| Earth moving and related plant operators, Permanent | 1 | 1 | 0 | 0 |
| Economists, Permanent | 76 | 27 | 64,5 | 3 |
| Engineering sciences related, Permanent | 3 | 1 | 66,7 | 0 |
| Engineers and related professionals, Permanent | 23 | 13 | 43,5 | 0 |
| Farmhands and workers, Permanent | 236 | 198 | 16,1 | 4 |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD *(CONTINUED)*

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Farming, forestry advisors and farm managers, Permanent | 6 | 6 | 0 | 0 |
| Finance and economics related, Permanent | 67 | 27 | 59,7 | 1 |
| Financial and related professionals, Permanent | 24 | 21 | 12,5 | 0 |
| Financial clerks and credit controllers, Permanent | 106 | 85 | 19,8 | 0 |
| Food services aids and waiters, Permanent | 24 | 24 | 0 | 0 |
| General legal administration and related professionals, Permanent | 1 | 1 | 0 | 0 |
| Head of department/ chief executive officer, Permanent | 1 | 1 | 0 | 0 |
| Horticulturists, foresters, agricultural and forestry technicians, Permanent | 86 | 64 | 25,6 | 0 |
| Household and laundry workers, Permanent | 22 | 20 | 9,1 | 0 |
| Human resources and organisational development and related professionals, Permanent | 41 | 30 | 26,8 | 0 |
| Human resources clerks, Permanent | 40 | 34 | 15 | 0 |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD *(CONTINUED)*

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Human resources related, Permanent | 13 | 8 | 38,5 | 0 |
| Information technology related, Permanent | 2 | 1 | 50 | 0 |
| Language practitioners, interpreters and other communicators, Permanent | 14 | 11 | 21,4 | 0 |
| Legal related, Permanent | 9 | 5 | 44,4 | 0 |
| Librarians and related professionals, Permanent | 2 | 1 | 50 | 0 |
| Library, mail and related clerks, Permanent | 70 | 66 | 5,7 | 0 |
| Light vehicle drivers, Permanent | 7 | 6 | 14,3 | 0 |
| Logistical support personnel, Permanent | 9 | 7 | 22,2 | 0 |
| Material-recording and transport clerks, Permanent | 51 | 40 | 21,6 | 0 |
| Mechanical engineering technicians, Permanent | 1 | 0 | 100 | 0 |
| Messengers, porters and deliverers, Permanent | 62 | 59 | 4,8 | 0 |
| Motor vehicle drivers, Permanent | 52 | 50 | 3,8 | 0 |
| Motorised farm and forestry plant operators, Permanent | 7 | 6 | 14,3 | 0 |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD *(CONTINUED)*

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Nature conservation and oceanograpy related technicians, Permanent | 59 | 52 | 11,9 | 0 |
| Other administrative and related clerks and organisers, Permanent | 301 | 202 | 32,9 | 5 |
| Other administrative policy and related officers, Permanent | 67 | 57 | 14,9 | 1 |
| Other information technology personnel, Permanent | 10 | 5 | 50 | 0 |
| Printing and related machine operators, Permanent | 13 | 12 | 7,7 | 0 |
| Printing planners and production controllers, Permanent | 1 | 0 | 100 | 0 |
| Rank: Minister deputy, Permanent | 1 | 1 | 0 | 0 |
| Rank: Minister, Permanent | 1 | 1 | 0 | 0 |
| Regulatory inspectors, Permanent | 18 | 16 | 11,1 | 0 |
| Risk management and security services, Permanent | 6 | 1 | 83,3 | 0 |
| Road trade workers, Permanent | 20 | 20 | 0 | 0 |

**TABLE 2.3** EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD *(CONTINUED)*

| Critical occupations | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|---|---|---|---|---|
| Safety, health and quality inspectors, Permanent | 70 | 49 | 30 | 19 |
| Secretaries and other keyboard operating clerks, Permanent | 64 | 52 | 18,8 | 0 |
| Security guards, Permanent | 2 | 2 | 0 | 0 |
| Security officers, Permanent | 59 | 42 | 28,8 | 0 |
| Senior managers, Permanent | 50 | 40 | 20 | 0 |
| Social sciences related, Permanent | 1 | 0 | 100 | 0 |
| Statisticians and related professionals, Permanent | 5 | 5 | 0 | 0 |
| Trade workers, Permanent | 445 | 366 | 17,8 | 0 |
| Veterinarians, Permanent | 80 | 19 | 76,3 | 1 |
| Veterinary assistants, Permanent | 4 | 4 | 0 | 0 |
| Water plant and related operators, Permanent | 1 | 0 | 100 | 0 |
| **TOTAL** | **3 363** | **2 380** | **29,2** | **40** |

The information in each case reflects the situation as on 31 March 2004. For an indication of changes in staffing patterns over the year under review, please refer to section 4 of this report.

## 3. JOB EVALUATION

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executive authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 3.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**TABLE 3.1** JOB EVALUATION

| Salary band | Number of posts | Number of jobs evaluated | % of posts evaluated | Number of posts upgraded | % of upgraded posts evaluated | Number of posts down-graded | % of downgraded posts evaluated |
|---|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 913 | 56 | 6,1 | 52 | 92,9 | - | - |
| Skilled (Levels 3-5) | 491 | 31 | 6,3 | 14 | 45,2 | - | - |
| Highly skilled production (Levels 6-8) | 1 353 | 26 | 1,9 | 3 | 11,5 | - | - |
| Highly skilled supervision (Levels 9-12) | 547 | 123 | 22,5 | 1 | 0,8 | - | - |
| Senior Management Service Band A | 40 | 11 | 27,5 | - | - | - | - |
| Senior Management Service Band B | 11 | 0 | 0 | - | - | - | - |
| Senior Management Service Band C | 5 | 0 | - | - | - | - | - |
| Senior Management Service Band D | 1 | 1 | 100 | - | - | - | - |
| **TOTAL** | **3 361** | **248** | **7,4** | **70** | **28,2** | **-** | **-** |

The following table provides a summary of the number of employees whose salary positions were upgraded owing to their posts being upgraded. The number of employees might differ from the number of posts upgraded because not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**TABLE 3.2** PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED

| Beneficiaries | African | Asian | Coloured | White | Total |
|---|---|---|---|---|---|
| Female | 1 | 0 | 0 | 0 | 1 |
| Male | 1 | 0 | 0 | 0 | 1 |
| **TOTAL** | **2** | **0** | **0** | **0** | **2** |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 |

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**TABLE 3.3** EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O PSR 1.V.C.3]

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation | No. of employees in dept |
|---|---|---|---|---|---|
| Administrative related | 1 | 10 | 9 | | 2 380 |
| Finance and economics related | 1 | 10 | 9 | | 2 380 |
| **TOTAL** | **2** | | | | **2 380** |
| Percentage of total employment | 0,1 | | | | 2 380 |

Table 3.4 is a summary of the number of beneficiaries of the above in terms of race, gender and disability.

**TABLE 3.4** PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O. PSR 1.V.C.3]

| Beneficiaries | African | Asian | Coloured | White | Total |
|---|---|---|---|---|---|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 2 | 2 |
| **TOTAL** | **0** | **0** | **0** | **2** | **2** |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 |

## 4. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 4.1) and by critical occupations (Table 4.2).

**TABLE 4.1** ANNUAL TURNOVER RATES BY SALARY BAND

| Salary band | Employment at beginning of period | Appointments | Terminations | Turnover rate |
|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 830 | 30 | 55 | 6,6 |
| Skilled (Levels 3-5) | 415 | 22 | 30 | 7,2 |
| Highly skilled production (Levels 6-8) | 963 | 98 | 90 | 9,3 |
| Highly skilled supervision (Levels 9-12) | 220 | 23 | 26 | 11,8 |
| Senior Management Service Band A | 35 | 2 | 2 | 5,7 |
| Senior Management Service Band B | 7 | 1 | 4 | 57,1 |
| Senior Management Service Band C | 4 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 0 | 0 | 0 |
| **TOTAL** | **2 475** | **176** | **207** | **8,4** |

**TABLE 4.2** ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

| Occupation | Employment at beginning of period | Appointments | Terminations | Turnover rate |
|---|---|---|---|---|
| Administrative related, Permanent | 66 | 5 | 12 | 18,2 |
| Agricultural animal, oceanography, forestry and other sciences, Permanent | 84 | 15 | 8 | 9,5 |
| Agriculture related, Permanent | 45 | 39 | 1 | 2,2 |
| Aircraft pilots and related associate professionals, Permanent | 1 | 0 | 0 | 0 |
| All artisans in building, metal, machinery, etc, Permanent | 65 | 0 | 10 | 15,4 |
| Appraisers, valuers and related professionals, Permanent | 7 | 2 | 0 | 0 |
| Archivists, curators and related professionals, Permanent | 2 | 0 | 1 | 50 |
| Artisan, project and related superintendents, Permanent | 1 | 0 | 1 | 100 |
| Auxiliary and related workers, Permanent | 78 | 3 | 9 | 11,5 |
| Biochemistry, pharmacology, zoology and life science, technicians, Permanent | 98 | 8 | 9 | 9,2 |
| Building and other property caretakers, Permanent | 89 | 1 | 2 | 2,2 |
| Bus and heavy vehicle drivers, Permanent | 7 | 0 | 0 | 0 |
| Chemists, Permanent | 3 | 0 | 0 | 0 |
| Civil engineering technicians, Permanent | 1 | 0 | 2 | 200 |
| Cleaners in offices, workshops, hospitals, etc, Permanent | 108 | 1 | 7 | 6,5 |
| Client information clerks (switchboard, reception and information clerks), Permanent | 7 | 0 | 0 | 0 |
| Communication and information related, Permanent | 6 | 0 | 1 | 16,7 |
| Community development workers, Permanent | 0 | 1 | 0 | 0 |
| Computer programmers, Permanent | 0 | 0 | 0 | 0 |
| Computer system designers and analysts, Permanent | 1 | 0 | 0 | 0 |
| Diplomats, Permanent | 0 | 0 | 0 | |
| Earth moving and related plant operators, Permanent | 1 | 0 | 1 | 100 |
| Economists, Permanent | 38 | 2 | 9 | 23,7 |

**TABLE 4.2** ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION *(CONTINUED)*

| Occupation | Employment at beginning of period | Appointments | Terminations | Turnover rate |
|---|---|---|---|---|
| Engineering sciences related, Permanent | 2 | 0 | 0 | 0 |
| Engineers and related professionals, Permanent | 14 | 1 | 1 | 7,1 |
| Farmhands and workers, Permanent | 213 | 5 | 16 | 7,5 |
| Farming, forestry advisors and farm managers, Permanent | 5 | 1 | 0 | 0 |
| Finance and economics related, Permanent | 28 | 0 | 2 | 7,1 |
| Financial and related professionals, Permanent | 18 | 3 | 1 | 5,6 |
| Financial clerks and credit controllers, Permanent | 91 | 5 | 12 | 13,2 |
| Food services aids and waiters, Permanent | 24 | 0 | 0 | 0 |
| General, legal, administration and related professionals, Permanent | 3 | 0 | 0 | 0 |
| Head of department/chief executive officer, Permanent | 1 | 1 | 0 | 0 |
| Horticulturists, foresters, agricultural and forestry technicians, Permanent | 71 | 1 | 2 | 2,8 |
| Household and laundry workers, Permanent | 20 | 0 | 0 | 0 |
| Human resources and organisational development and related professionals, Permanent | 31 | 5 | 2 | 6,5 |
| Human resources clerks, Permanent | 37 | 1 | 4 | 10,8 |
| Human resources related, Permanent | 9 | 2 | 3 | 33,3 |
| Information technology related, Permanent | 1 | 0 | 0 | 0 |
| Language practitioners, interpreters and other communicators | 14 | 2 | 4 | 28,6 |
| Legal related, Permanent | 1 | 3 | 1 | 100 |
| Librarians and related professionals, Permanent | 2 | 0 | 2 | 100 |
| Library, mail and related clerks, Permanent | 66 | 0 | 2 | 3 |
| Light vehicle drivers, Permanent | 7 | 0 | 0 | 0 |
| Logistical support personnel, Permanent | 4 | 1 | 1 | 25 |

**TABLE 4.2** ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION *(CONTINUED)*

| Occupation | Employment at beginning of period | Appointments | Terminations | Turnover rate |
|---|---|---|---|---|
| Material-recording and transport clerks, Permanent | 48 | 3 | 6 | 12,5 |
| Mechanical engineering technicians, Permanent | 1 | 0 | 1 | 100 |
| Messengers, porters and deliverers, Permanent | 58 | 3 | 2 | 3,4 |
| Meteorologists, statistical and related technicians, Permanent | 0 | 0 | 0 | 0 |
| Mining geology, geophysical and related technicians, Permanent | 0 | 0 | 0 | 0 |
| Motor vehicle drivers, Permanent | 54 | 0 | 0 | 0 |
| Motorised farm and forestry plant operators, Permanent | 6 | 0 | 0 | 0 |
| Nature conservation and oceanography related technicians, Permanent | 55 | 0 | 2 | 3,6 |
| Other administrative and related clerks and organisers, Permanent | 200 | 19 | 13 | 6,5 |
| Other administrative policy and related officers, Permanent | 66 | 7 | 4 | 6,1 |
| Other information technology personnel, Permanent | 5 | 0 | 1 | 20 |
| Other occupations, Permanent | 2 | 0 | 0 | 0 |
| Printing and related machine operators, Permanent | 13 | 0 | 1 | 7,7 |
| Printing planners and production controllers, Permanent | 1 | 0 | 1 | 100 |
| Propulsion engineering, operator, engine room mechanics and marine engineers, Permanent | 0 | 0 | 0 | 0 |
| Regulatory inspectors, Permanent | 17 | 0 | 1 | 5,9 |
| Risk management and security services, Permanent | 1 | 0 | 0 | 0 |
| Road trade workers, Permanent | 21 | 0 | 1 | 4,8 |
| Roadworkers, Permanent | 0 | 0 | 0 | |
| Safety, health and quality inspectors, Permanent | 61 | 10 | 1 | 1,6 |
| Secretaries and other keyboard operating clerks, Permanent | 59 | 2 | 5 | 8,5 |
| Security guards, Permanent | 2 | 0 | 0 | 0 |
| Security officers, Permanent | 47 | 1 | 4 | 8,5 |

**TABLE 4.2** ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION *(CONTINUED)*

| Occupation | Employment at beginning of period | Appointments | Terminations | Turnover rate |
|---|---|---|---|---|
| Senior managers, Permanent | 41 | 2 | 5 | 12,2 |
| Statisticians and related professionals, Permanent | 5 | 0 | 0 | 0 |
| Supplementary diagnostic radiographers, Permanent | 0 | 0 | 0 | 0 |
| Trade workers, Permanent | 313 | 18 | 25 | 8 |
| Veterinarians, Permanent | 25 | 1 | 6 | 24 |
| Veterinary assistants, Permanent | 3 | 2 | 1 | 33,3 |
| Water plant and related operators, Permanent | 1 | 0 | 1 | 100 |
| **TOTAL** | **2 475** | **176** | **207** | **8,4** |

The major reasons why staff are leaving the department are indicated in Table 4.3.

**TABLE 4.3** REASONS WHY STAFF ARE LEAVING THE DEPARTMENT

| Termination type | Number | Percentage of total resignations | Percentage of total employment | Total | Total employment |
|---|---|---|---|---|---|
| Death, Permanent | 16 | 7,7 | 0,7 | 207 | 2 380 |
| Resignation, Permanent | 59 | 28,5 | 2,5 | 207 | 2 380 |
| Dismissal—operational changes, Permanent | 6 | 2,9 | 0,3 | 207 | 2 380 |
| Discharged owing to ill health, Permanent | 26 | 12,6 | 1,1 | 207 | 2 380 |
| Dismissal—misconduct, Permanent | 3 | 1,4 | 0,1 | 207 | 2 380 |
| Retirement, Permanent | 38 | 18,4 | 1,6 | 207 | 2 380 |
| Transfers | 40 | 19,3 | 1,7 | 207 | 2 380 |
| Excess package | 19 | 9,2 | 0,8 | 207 | 2 380 |
| **TOTAL** | **207** | **100** | **8,7** | **207** | **2 380** |
| Resignations as % of employment | 8,7 | | | | |

**TABLE 4.4** PROMOTIONS BY CRITICAL OCCUPATION

| Occupation | Employment at beginning of period | Promotions to another salary level | Salary level promotions as a % of employment | Progressions to another notch within salary level | Notch progression as a % of employment |
|---|---|---|---|---|---|
| Administrative related | 66 | 7 | 10,6 | 17 | 25,8 |
| Agricultural animal, oceanography, forestry and other sciences | 84 | 1 | 1,2 | 39 | 46,4 |
| Agriculture related | 45 | 5 | 11,1 | 19 | 42,2 |
| Aircraft pilots and related associate professionals | 1 | 0 | 0 | 1 | 100 |
| All artisans in building, metal, machinery, etc | 65 | 7 | 10,8 | 33 | 50,8 |
| Appraisers, valuers and related professionals | 7 | 0 | 0 | 0 | 0 |
| Archivists, curators and related professionals | 2 | 0 | 0 | 3 | 150 |
| Artisan project and related superintendents | 1 | 0 | 0 | 1 | 100 |
| Auxiliary and related workers | 78 | 1 | 1,3 | 57 | 73,1 |
| Biochemistry, pharmacology, zoology and life science technicians | 98 | 8 | 8,2 | 64 | 65,3 |
| Building and other property caretakers | 89 | 0 | 0 | 24 | 27 |
| Bus and heavy vehicle drivers | 7 | 0 | 0 | 2 | 28,6 |
| Chemists | 3 | 0 | 0 | | |
| Civil engineering technicians | 1 | 0 | 0 | 1 | 100 |
| Cleaners in offices, workshops, hospitals, etc | 108 | 1 | 0,9 | 94 | 87 |
| Client information clerks (switchboard, reception and information clerks) | 7 | 0 | 0 | 6 | 85,7 |
| Communication and information related | 6 | 0 | 0 | 6 | 100 |
| Community development workers | | 0 | 0 | 0 | 0 |
| Computer programmers | | 0 | 0 | 1 | 0 |
| Computer system designers and analysts | 1 | 0 | 0 | 2 | 200 |
| Diplomats | | 0 | 0 | 0 | 0 |
| Earth moving and related plant operators | 1 | 0 | 0 | 16 | 1 600 |
| Economists | 38 | 6 | 15,8 | 13 | 34,2 |

**TABLE 4.4** *PROMOTIONS BY CRITICAL OCCUPATION (CONTINUED)*

| Occupation | Employment at beginning of period | Promotions to another salary level | Salary level promotions as a % of employment | Progressions to another notch within salary level | Notch progression as a % of employment |
|---|---|---|---|---|---|
| Engineering sciences related | 2 | 1 | 50 | 2 | 100 |
| Engineers and related professionals | 14 | 0 | 0 | 3 | 21,4 |
| Farmhands and workers | 213 | 0 | 0 | 161 | 75,6 |
| Farming, forestry advisors and farm managers | 5 | 0 | 0 | 3 | 60 |
| Finance and economics related | 28 | 2 | 7,1 | 14 | 50 |
| Financial and related professionals | 18 | 3 | 16,7 | 13 | 72,2 |
| Financial clerks and credit controllers | 91 | 10 | 11 | 45 | 49,5 |
| Food services aids and waiters | 24 | 0 | 0 | 22 | 91,7 |
| General, legal, administration and related professionals | 3 | 2 | 66,7 | 1 | 33,3 |
| Head of department/chief executive officer | 1 | 0 | 0 | 0 | 0 |
| Horticulturists, foresters, agricultural and forestry technicians | 71 | 3 | 4,2 | 33 | 46,5 |
| Household and laundry workers | 20 | 0 | 0 | 19 | 95 |
| Human resources, organisation development and related professionals | 31 | 1 | 3,2 | 5 | 16,1 |
| Human resources clerks | 37 | 4 | 10,8 | 34 | 91,9 |
| Human resources related | 9 | 0 | 0 | 9 | 100 |
| Information technology related | 1 | 0 | 0 | 0 | 0 |
| Language practitioners, interpreters and other communicators | 14 | 0 | 0 | 11 | 78,6 |
| Legal related | 1 | 0 | 0 | 0 | 0 |
| Librarians and related professionals | 2 | 0 | 0 | 3 | 150 |
| Library, mail and related clerks | 66 | 1 | 1,5 | 53 | 80,3 |
| Light vehicle drivers | 7 | 1 | 14,3 | 6 | 85,7 |
| Logistical support personnel | 4 | 1 | 25 | 4 | 100 |

**TABLE 4.4** *PROMOTIONS BY CRITICAL OCCUPATION (CONTINUED)*

| Occupation | Employment at beginning of period | Promotions to another salary level | Salary level promotions as a % of employment | Progressions to another notch within salary level | Notch progression as a % of employment |
|---|---|---|---|---|---|
| Material-recording and transport clerks | 48 | 8 | 16,7 | 39 | 81,3 |
| Mechanical engineering technicians | 1 | 0 | 0 | 1 | 100 |
| Messengers, porters and deliverers | 58 | 0 | 0 | 48 | 82,8 |
| Meteorologists, statistical and related technicians | | 0 | 0 | 1 | 0 |
| Mining geology, geophysical and related technicians | | 0 | 0 | 0 | 0 |
| Motor vehicle drivers | 54 | 0 | 0 | 15 | 27,8 |
| Motorised farm and forestry plant operators | 6 | 0 | 0 | 5 | 83,3 |
| Natural sciences related | | 0 | 0 | 0 | 0 |
| Nature conservation and oceanography related technicians | 55 | 0 | 0 | 42 | 76,4 |
| Other administration and related clerks and organisers | 200 | 11 | 5,5 | 114 | 57 |
| Other administrative policy and related officers | 66 | 2 | 3 | 37 | 56,1 |
| Other information technology personnel | 5 | 0 | 0 | 2 | 40 |
| Other occupations | 2 | 0 | 0 | 2 | 100 |
| Printing and related machine operators | 13 | 0 | 0 | 12 | 92,3 |
| Printing planners and production controllers | 1 | 0 | 0 | 0 | 0 |
| Propulsion engineering operator, engine room mechanics and marine engineers | | 0 | 0 | 0 | 0 |
| Regulatory inspectors | 17 | 1 | 5,9 | 1 | 5,9 |
| Risk management and security services | 1 | 0 | 0 | 0 | 0 |
| Road trade workers | 21 | 0 | 0 | 14 | 66,7 |
| Roadworkers | | 0 | 0 | 2 | 0 |
| Safety, health and quality inspectors | 61 | 0 | 0 | 29 | 47,5 |

**TABLE 4.4** PROMOTIONS BY CRITICAL OCCUPATION *(CONTINUED)*

| Occupation | Employment at beginning of period | Promotions to another salary level | Salary level promotions as a % of employment | Progressions to another notch within salary level | Notch progression as a % of employment |
|---|---|---|---|---|---|
| Secretaries and other keyboard operating clerks | 59 | 1 | 1,7 | 39 | 66,1 |
| Security guards | 2 | 0 | 0 | 1 | 50 |
| Security officers | 47 | 0 | 0 | 1 | 2,1 |
| Senior managers | 41 | 0 | 0 | 0 | 0 |
| Statisticians and related professionals | 5 | 1 | 20 | 4 | 80 |
| Supplementary diagnostic radiographers | | 0 | 0 | 0 | 0 |
| Trade workers | 313 | 0 | 0 | 262 | 83,7 |
| Veterinarians | 25 | 2 | 8 | 17 | 68 |
| Veterinary assistants | 3 | 0 | 0 | 3 | 100 |
| Water plant and related operators | 1 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2 475** | **91** | **3,7** | **1 531** | **61,9** |

**TABLE 4.5** PROMOTIONS BY SALARY BAND

| Salary band | Employment at beginning of period | Promotions to another salary level | Salary level of promotions as a % of employment | Progressions to another notch within salary level | Notch progression as a % of employment |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 830 | 0 | 0 | 623 | 75,1 |
| Skilled (Levels 3-5) | 415 | 13 | 3,1 | 218 | 52,5 |
| Highly skilled production (Levels 6-8) | 963 | 58 | 6 | 570 | 59,2 |
| Highly skilled supervision (Levels 9-12) | 220 | 18 | 8,2 | 123 | 55,9 |
| Senior management (Levels 13-16) | 47 | 2 | 4,3 | 2 | 4,3 |
| **TOTAL** | **2 475** | **91** | **3,7** | **1 536** | **62,1** |

## 5. EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, Act No. 55 of 1998.

**TABLE 5.1** TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL CATEGORY (SASCO)

| Occupational categories | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Legislators, senior officials and managers | 15 | 1 | 0 | 8 | 10 | 1 | 0 | 2 | 37 |
| Professionals | 221 | 37 | 23 | 217 | 121 | 16 | 10 | 164 | 809 |
| Clerks | 87 | 17 | 0 | 27 | 101 | 27 | 6 | 260 | 525 |
| Service and sales workers | 16 | 1 | 1 | 22 | 6 | 0 | 0 | 1 | 47 |
| Craft and related trade workers | 42 | 4 | 0 | 27 | 0 | 0 | 0 | 0 | 73 |
| Plant, machine operators and assemblers | 65 | 9 | 1 | 4 | 4 | 0 | 0 | 0 | 83 |
| Elementary occupations | 539 | 126 | 1 | 7 | 97 | 29 | 0 | 5 | 804 |
| **TOTAL** | **985** | **195** | **26** | **312** | **339** | **73** | **16** | **432** | **2 378** |
| Employees with disabilities | 1 | 1 | | 2 | | | | 4 | 8 |

**TABLE 5.2** TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS

| Occupational bands | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Top management | 2 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 5 |
| Senior management | 14 | 2 | 0 | 11 | 9 | 1 | 0 | 2 | 39 |
| Professionally qualified and experienced specialists and mid-management | 50 | 3 | 5 | 85 | 23 | 1 | 2 | 56 | 225 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 201 | 30 | 19 | 188 | 132 | 24 | 11 | 323 | 928 |
| Semiskilled and discretionary decision making | 182 | 40 | 0 | 26 | 79 | 18 | 3 | 48 | 396 |
| Unskilled and defined decision making | 536 | 120 | 2 | 2 | 93 | 29 | 0 | 3 | 785 |
| **TOTAL** | **985** | **195** | **26** | **312** | **339** | **73** | **16** | **432** | **2 378** |

**TABLE 5.3** RECRUITMENT

| Occupational bands | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Senior management | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management | 11 | 0 | 0 | 1 | 11 | 0 | 0 | 0 | 23 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 47 | 1 | 1 | 0 | 38 | 3 | 4 | 4 | 98 |
| Semiskilled and discretionary decision making | 6 | 1 | 0 | 0 | 13 | 1 | 0 | 1 | 22 |
| Unskilled and defined decision making | 21 | 3 | 0 | 1 | 4 | 0 | 0 | 1 | 30 |
| **TOTAL** | **86** | **6** | **1** | **2** | **67** | **4** | **4** | **6** | **176** |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**TABLE 5.4** PROMOTIONS

| Occupational bands | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 2 |
| Professionally qualified and experienced specialists and mid-management | 7 | 0 | 0 | 0 | 9 | 0 | 1 | 1 | 18 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 32 | 4 | 0 | 2 | 18 | 1 | 0 | 1 | 58 |
| Semiskilled and discretionary decision making | 10 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 13 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **49** | **4** | **0** | **3** | **31** | **1** | **1** | **2** | **91** |
| Employees with disabilities | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 | 4 |

**TABLE 5.5** TERMINATIONS

| Occupational bands | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Senior management | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 6 |
| Professionally qualified and experienced specialists and mid-management | 6 | 0 | 0 | 8 | 7 | 0 | 1 | 4 | 26 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 21 | 0 | 0 | 25 | 7 | 1 | 1 | 35 | 90 |
| Semiskilled and discretionary decision making | 11 | 3 | 0 | 2 | 3 | 2 | 1 | 8 | 30 |
| Unskilled and defined decision making | 40 | 12 | 0 | 0 | 3 | 0 | 0 | 0 | 55 |
| **TOTAL** | **81** | **15** | **0** | **38** | **20** | **3** | **3** | **47** | **207** |
| Employees with disabilities | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 1 | 4 |

**TABLE 5.6** DISCIPLINARY ACTION

| Disciplinary action | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Disciplinary action | 11 | 3 | 0 | 12 | 0 | 0 | 0 | 0 | 26 |
| **TOTAL** | **11** | **3** | **0** | **12** | **0** | **0** | **0** | **0** | **26** |

**TABLE 5.7** SKILLS DEVELOPMENT

| Occupational categories | Male African | Male Coloured | Male Indian | Male White | Female African | Female Coloured | Female Indian | Female White | Total |
|---|---|---|---|---|---|---|---|---|---|
| Legislators, senior officials and managers | 6 | 3 | 0 | 5 | 6 | 0 | 2 | 2 | 24 |
| Professionals | 17 | 8 | 6 | 25 | 14 | 0 | 2 | 10 | 82 |
| Technicians and associate professionals, clerks | 66<br>60 | 21<br>47 | 18<br>0 | 52<br>13 | 48<br>67 | 36<br>28 | 14<br>5 | 65<br>75 | 320<br>295 |
| Service and sales workers | 48 | 19 | 0 | 0 | 29 | 1 | 0 | 0 | 64 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trade workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant, machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **197** | **98** | **24** | **95** | **164** | **65** | **23** | **152** | **818** |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## 6. PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 6.1), salary bands (Table 6.2) and critical occupations (Table 6.3).

**TABLE 6.1** PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY

| | Number of beneficiaries | Total employment | Percentage of total employment | Cost (R'000) | Average cost per beneficiary (R) |
|---|---|---|---|---|---|
| African, female | 144 | 339 | 42,48 | 890 | 6 180 |
| African, male | 206 | 984 | 21,24 | 1 184 | 5 748 |
| Asian, female | 8 | 16 | 50 | 68 | 8 475 |
| Asian, male | 14 | 26 | 53,85 | 183 | 13 092 |
| Coloured, female | 21 | 73 | 28,77 | 78 | 3 722 |
| Coloured, male | 43 | 194 | 22,17 | 166 | 3 856 |
| White, female | 323 | 428 | 75,47 | 2 779 | 8 604 |
| White, male | 151 | 310 | 48,71 | 1 834 | 12 144 |
| Employees with disabilities | 4 | 8 | 50 | 27 | 6 669 |
| **TOTAL** | **914** | **2 378** | **38,56** | **7 209** | **68 490** |

**TABLE 6.2** PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE

| Salary band | Number of beneficiaries | Total employment | Percentage of total employment | Cost (R'000) | Average cost per beneficiary (R) |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 163 | 785 | 20,8 | 424 | 2 601 |
| Skilled (Levels 3-5) | 138 | 396 | 34,9 | 467 | 3 384 |
| Highly skilled production (Levels 6-8) | 478 | 928 | 51,5 | 3 513 | 7 349 |
| Highly skilled supervision (Levels 9-12) | 133 | 225 | 59,1 | 2 503 | 18 820 |
| **TOTAL** | **912** | **2 334** | **39,1** | **6 907** | **7 573** |

**TABLE 6.3** PERFORMANCE REWARDS BY CRITICAL OCCUPATION

| Critical occupations | Number of beneficiaries | Total employment | Percentage of total employment | Cost (R'000) | Average cost per beneficiary (R) |
|---|---|---|---|---|---|
| Administrative related | 22 | 70 | 31,4 | 348 | 15 818 |
| Agricultural animal, oceanography, forestry and other sciences | 44 | 84 | 52,4 | 447 | 10 159 |
| Agriculture related | 19 | 86 | 22,1 | 375 | 19 737 |
| Aircraft pilot and related associate professionals | 1 | 1 | 100 | 13 | 13 000 |
| All artisans in building, metal, machinery, etc | 4 | 57 | 7 | 31 | 7 750 |
| Appraisers, valuers and related professionals | 0 | 9 | 0 | 0 | 0 |
| Archivists, curators and related professionals | 2 | 0 | 0 | 12 | 6 000 |
| Auxiliary and related workers | 39 | 65 | 60 | 198 | 5 077 |
| Biochemistry, pharmacology, zoology and life science technicians | 52 | 91 | 57,1 | 446 | 8 577 |
| Building and other property caretakers | 9 | 29 | 31 | 21 | 2 333 |
| Bus and heavy vehicle drivers | 0 | 7 | 0 | 0 | 0 |
| Chemists | 0 | 3 | 0 | 0 | 0 |
| Civil engineering technicians | 1 | 0 | 0 | 8 | 8 000 |
| Cleaners in offices, workshops, hospitals, etc | 71 | 105 | 67,6 | 180 | 2 535 |
| Client information clerks (switchboard, reception and information clerks) | 4 | 8 | 50 | 24 | 6 000 |
| Communication and information related | 6 | 5 | 120 | 124 | 20 667 |
| Community development worker | 1 | 1 | 100 | 30 | 30 000 |
| Computer programmers | 1 | 0 | 0 | 17 | 17 000 |
| Computer system designers and analysts | 2 | 1 | 200 | 18 | 9 000 |
| Earth moving and related plant operators | 0 | 1 | 0 | 0 | 0 |
| Economists | 20 | 27 | 74,1 | 174 | 8 700 |
| Engineering sciences related | 2 | 1 | 200 | 63 | 31 500 |

**TABLE 6.3** PERFORMANCE REWARDS BY CRITICAL OCCUPATION *(CONTINUED)*

| Critical occupations | Number of beneficiaries | Total employment | Percentage of total employment | Cost (R'000) | Average cost per beneficiary (R) |
|---|---|---|---|---|---|
| Engineers and related professionals | 2 | 13 | 15,4 | 30 | 15 000 |
| Farmhands and workers | 20 | 198 | 10,1 | 51 | 2 550 |
| Farming, forestry advisors and farm managers | 2 | 6 | 33,3 | 16 | 8 000 |
| Finance and economics related | 17 | 27 | 63 | 363 | 21 353 |
| Financial and related professionals | 13 | 21 | 61,9 | 95 | 7 308 |
| Financial clerks and credit controllers | 35 | 85 | 41,2 | 149 | 4 257 |
| Food services aids and waiters | 12 | 24 | 50 | 40 | 3 333 |
| General, legal administration and related professionals | 2 | 1 | 200 | 6 | 3 000 |
| Head of department/chief executive officer | 1 | 1 | 100 | 94 | 94 000 |
| Horticulturists, foresters, agricultural and forestry technicians | 40 | 64 | 62,5 | 284 | 7 100 |
| Household and laundry workers | 1 | 20 | 5 | 1 | 1 000 |
| Human resources and organisation development and related professionals | 6 | 30 | 20 | 86 | 14 333 |
| Human resources clerks | 31 | 34 | 91,2 | 246 | 7 935 |
| Human resources related | 10 | 8 | 125 | 116 | 11 600 |
| Information technology related | 0 | 1 | 0 | 0 | 0 |
| Language practitioners, interpreters and other communicators | 8 | 11 | 72,7 | 45 | 5 625 |
| Legal related | 0 | 5 | 0 | 0 | 0 |
| Librarians and related professionals | 2 | 1 | 200 | 13 | 6 500 |
| Library, mail and related clerks | 60 | 66 | 90,9 | 338 | 5 633 |
| Light vehicle drivers | 5 | 6 | 83,3 | 17 | 3 400 |
| Logistical support personnel | 4 | 7 | 57,1 | 32 | 8 000 |
| Material-recording and transport clerks | 25 | 40 | 62,5 | 136 | 5 440 |

**TABLE 6.3** *PERFORMANCE REWARDS BY CRITICAL OCCUPATION (CONTINUED)*

| Critical occupations | Number of beneficiaries | Total employment | Percentage of total employment | Cost (R'000) | Average cost per beneficiary (R) |
|---|---|---|---|---|---|
| Messengers, porters and deliverers | 45 | 59 | 76,3 | 132 | 2 933 |
| Motor vehicle drivers | 0 | 50 | 0 | 0 | 0 |
| Meteorologists, statistical and related technicians | 1 | 0 | 0 | 6 | 6 000 |
| Motorised farm and forestry plant operators | 1 | 6 | 16,7 | 7 | 7 000 |
| Nature conservation and oceanography related technicians | 23 | 52 | 44,2 | 213 | 9 261 |
| Other administrative and related clerks and organisers | 87 | 202 | 43,1 | 465 | 5 345 |
| Other administrative policy and related officers | 30 | 57 | 52,6 | 308 | 10 267 |
| Other information technology personnel | 3 | 5 | 60 | 20 | 6 667 |
| Printing and related machine operators | 8 | 12 | 66,7 | 26 | 3 250 |
| Printing planners and production controllers | 1 | 0 | 0 | 2 | 2 000 |
| Regulatory inspectors | 0 | 16 | 0 | 0 | 0 |
| Risk management and security services | 1 | 1 | 100 | 15 | 15 000 |
| Road trade workers | 0 | 20 | 0 | 0 | 0 |
| Safety, health and quality inspectors | 20 | 49 | 40,8 | 263 | 13 150 |
| Secretaries and other keyboard operating clerks | 50 | 52 | 96,2 | 289 | 5 780 |
| Security guards | 0 | 2 | 0 | 0 | 0 |
| Security officers | 8 | 42 | 19 | 37 | 4 625 |
| Senior managers | 1 | 40 | 2,5 | 58 | 58 000 |
| Statisticians and related professionals | 2 | 5 | 40 | 23 | 11 500 |
| Trade labourers | 20 | 366 | 5,5 | 55 | 2 750 |
| Veterinarians | 15 | 19 | 78,9 | 527 | 35 133 |
| Veterinary assistants | 2 | 4 | 50 | 14 | 7 000 |
| **TOTAL** | **914** | **2 379** | **38,4** | **7 147** | **7 819** |

**TABLE 6.4** PERFORMANCE RELATED REWARDS (CASH BONUS) BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE

| SMS band | Number of beneficiaries | Total employment | Percentage of total employment | Cost (R'000) | Average cost per beneficiary (R) | % of SMS wage bill | Personnel cost SMS (R'000) |
|---|---|---|---|---|---|---|---|
| Band A | 1 | 35 | 2,9 | 58 | 5 800 | 0,4 | 15 617 |
| Band D | 1 | 1 | 100 | 94 | 9 400 | 9,8 | 962 |
| **TOTAL** | **2** | **36** | **5,6** | **152** | **7 600** | **0,9** | **16 579** |

## 7. FOREIGN WORKERS

No foreign nationals were employed in the department during the period under review

## 8. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2003 TO 31 DECEMBER 2003

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 8.1) and disability leave (Table 8.2). In both cases, the estimated cost of the leave is also provided.

**TABLE 8.1** SICK LEAVE

| Salary band | Total days | % days with medical certification | Number of employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) | Total number of employees using sick leave | Total number of days with medical certification |
|---|---|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 2 642 | 83,7 | 347 | 24,8 | 8 | 349 | 1 397 | 2 212 |
| Skilled (Levels 3-5) | 1 821 | 73,6 | 255 | 18,3 | 7 | 313 | 1 397 | 1 341 |
| Highly skilled production (Levels 6-8) | 4 584 | 74,1 | 632 | 45,2 | 7 | 1 452 | 1 397 | 3 399 |
| Highly skilled supervision (Levels 9-12) | 860 | 69,2 | 137 | 9,8 | 6 | 545 | 1 397 | 595 |
| Senior management (Levels 13-16) | 161 | 87,6 | 26 | 1,9 | 6 | 258 | 1 397 | 141 |
| **TOTAL** | **10 068** | **76,4** | **1 397** | **100** | **7** | **2 917** | **1 397** | **7 688** |

**TABLE 8.2** DISABILITY LEAVE (TEMPORARY AND PERMANENT)

| Salary band | Total days | % days with medical certification | Number of employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) | Total number of employees using sick leave | Total number of days with medical certification |
|---|---|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 1 438 | 95,4 | 44 | 25 | 33 | 191 | 1 372 | 176 |
| Skilled (Levels 3-5) | 331 | 100 | 32 | 18,2 | 10 | 56 | 331 | 176 |
| Highly skilled production (Levels 6-8) | 1 436 | 100 | 87 | 49,4 | 17 | 457 | 1 436 | 176 |
| Highly skilled supervision (Levels 9-12) | 280 | 100 | 12 | 6,8 | 23 | 174 | 280 | 176 |
| Senior management (Levels 13-16) | 4 | 100 | 1 | 0,6 | 4 | 7 | 4 | 176 |
| **TOTAL** | **3 489** | **98,1** | **176** | **100** | **20** | **885** | **3 423** | **176** |

Table 8.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent paying out high levels of accrued leave at the time of termination of service.

**TABLE 8.3** ANNUAL LEAVE

| Salary band | Total days taken | Average per employee | Employment |
|---|---|---|---|
| Lower skilled (Levels 1-2) | 18 767 | 24 | 785 |
| Skilled (Levels 3-5) | 9 051 | 23 | 396 |
| Highly skilled production (Levels 6-8) | 22 384 | 24 | 933 |
| Highly skilled supervision (Levels 9-12) | 5 283 | 24 | 220 |
| Senior management (Levels 13-16) | 969 | 22 | 44 |
| **TOTAL** | **56 454** | **24** | **2 378** |

**TABLE 8.4** CAPPED LEAVE

| Salary band | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at 31 Dec. 2003 | Number of employees | Total capped leave available at 31 Dec. 2003 | Number of employees as at 31 Dec. 2003 |
|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 723 | 2 | 51 | 390 | 34 844 | 689 |
| Skilled (Levels 3-5) | 319 | 1 | 37 | 390 | 11 150 | 303 |
| Highly skilled production (Levels 6-8) | 1 095 | 3 | 49 | 390 | 36 270 | 741 |
| Highly skilled supervision (Levels 9-12) | 266 | 1 | 63 | 390 | 12 438 | 198 |
| Senior management (Levels 13-16) | 17 | 0 | 69 | 390 | 1 165 | 17 |
| **TOTAL** | **2 420** | **6** | **49** | **390** | **95 867** | **1 948** |

The following table summarises payments made to employees as a result of leave that was not taken.

**TABLE 8.5** LEAVE PAYOUTS

| Reason | Total amount (R'000) | Number of employees | Average payment per employee (R) |
|---|---|---|---|
| Leave payout for 2003/04 owing to non-utilisation of leave for the previous cycle | 14 | 2 | 7 000 |
| Capped leave payouts on termination of service for 2003/04 | 1 528 | 62 | 24 645 |
| Current leave payout on termination of service for 2003/04 | 98 | 49 | 2 000 |
| **TOTAL** | **1 640** | **113** | **14 513** |

## 9. HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

**TABLE 9.1** STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

| Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any) | Key steps taken to reduce the risk |
|---|---|
| Directorate Animal Health, Food Safety and Quality Assurance, Plant Production, Water Use and Irrigation Development, South African Food Quarantine and Inspection Services, Land Use and Soil Management, Farmer Settlement and Genetic Resources. | • Awareness programmes:<br>1. TB Week<br>2. HIV/Aids outreach programmes to regional offices |

**TABLE 9.1** STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE *(CONTINUED)*

| Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any) | Key steps taken to reduce the risk |
|---|---|
| | 3. Flu vaccination<br>4. Condom Week<br>5. Dissemination of information<br>• Provision of protective equipment |

**TABLE 9.2** DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES [TICK YES/NO AND PROVIDE REQUIRED INFORMATION]

| Questions | Yes | No | Details, if yes |
|---|---|---|---|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position | X | | Mr Isaac Miti, Senior Manager: Human Resources Management |
| 2. Does the department have a designated unit or have you designated specific staff members to promote the health and wellbeing of your employees?<br>If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | Ms Maria Sekgobela HIV/Aids Coordinator and 21 members from different directorates.<br>• There is no specific budget for HIV and Aids programmes.<br>• All directorates are responsible and will allocate funds as and when applicable. |
| 3. Has the department introduced an employee assistance or health promotion programme for your employees?<br>If so, indicate the key elements/services of the programme. | X | | EAP programmes<br>• Stress management<br>• Substance abuse information<br>• Supervisory training in respect of EAP<br>• Trauma management<br>• HIV and Aids |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001?<br>If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | X | | Mr Siyabonga Shezi – Human Resourcs Management<br>Ms Lebogang Motlhathudi – Human Resources Management<br>Mr Michael Mubva – Human Resources Management<br>Mr Simphiwe Dlamini – Human Resources Management<br>Mr Phillemon Marota – Procurement and Asset Management<br>Ms Millicent Lebeloane – Human Resources Management<br>Ms Choice Malopthe – Water Use and Irrigation Development<br>Mr Soul Moltenos – Water Use and Irrigation Development<br>Mr Rupert Hefer – Food Safety and Quality Assurance<br>Mr Kobus Potgieter – Information and Communication Technology<br>Ms Cilie Nortier – Agricultural Information Services |

**TABLE 9.2** DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES [TICK YES/NO AND PROVIDE REQUIRED INFORMATION] *(CONTINUED)*

| Questions | Yes | No | Details, if yes |
|---|---|---|---|
| | | | Ms Talita Zwarts – Animal Health<br>Ms Matshwane Motlhatlhedi – Debt Management and Disbursement<br>Ms Dorah Mampe – Genetic Resources<br>Mr Kwena Nokeri – Financial Services<br>Ms Brilliant Tlhasi – Cooperatives Services<br>Mr Jerry Phangiso – SA Agricultural Food Quarantine Inspection Services<br>Ms Cicilia Sililo-Tshishonga – Ministry<br>Ms Margaret Mogoane – International Relations<br>Mr Aron Seutlwadi – Agricultural Statistics<br>Mr Stephen Skosana – Food Safety and Quality Assurance<br>Ms Katinka Janse van Rensburg – Legal Services<br>Ms Jacquline Bokgatho – Security Services |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | | | |
| 6. Has the department introduced measures to protect HIV positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures. | X | | Drafted HIV/Aids Policy of the Department of Agriculture incorporating:<br>1. Employment Equity Act<br>2. Promotion of Equality and Prevention of Unfair Discrimination Act 2000. |
| 7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved. | X | | Positive response during our HIV/Aids outreach progammes at regional offices. |
| 8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators. | X | | Human resources management to conduct impact analysis biannually in order to understand, evaluate and monitor the evolving epidemic and how it will impact on the organisation in relation to its structure, operations, functions, knowledge and skills. |

## 10. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the department.

**TABLE 10.1** COLLECTIVE AGREEMENTS

| Subject matter | Date |
|---|---|
| 1. Transitional arrangements on the implementation of a uniform performance cycle of the departmental Performance Management System Policy for the national Department of Agriculture | 19 Jun 03 |
| 2. Employee Management System Policy | 20 Aug 03 |

**TABLE 10.1** COLLECTIVE AGREEMENTS *(CONTINUED)*

| Subject matter | Date |
|---|---|

**TABLE 10.2** MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED

| Outcomes of disciplinary hearings | Number | % of total | Total |
|---|---|---|---|
| Correctional counselling | 0 | 0 | 0/22 |
| Verbal warning | 0 | 0 | 0/22 |
| Written warning | 0 | 0 | 0/22 |
| Final written warning | 6 | 27,3 | 6/22 |
| Suspended without pay | 0 | 0 | 0/22 |
| Fine | 0 | 0 | 0/22 |
| Demotion | 3 | 13,6 | 3/22 |
| Dismissal | 10 | 45,5 | 10/22 |
| Not guilty | 0 | 0 | 0/22 |
| Case withdrawn | 3 | 13,6 | 3/22 |
| **TOTAL** | **22** | **100** | **22/22** |

**TABLE 10.3** TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARINGS

| Type of misconduct | Number | % of total |
|---|---|---|
| Misuse of government fuel card | 2 | 9 |
| Malpractice, corruption and nepotism | 1 | 4 |
| Abscondment | 5 | 22 |
| Misuse of government vehicle | 2 | 9 |
| Theft | 3 | 13 |
| Verbal abuse | 1 | 4 |
| Discrimination | 1 | 4 |
| Disrespect towards subordinate | 1 | 4 |
| Insubordination | 1 | 4 |
| Rape of a minor and threatening with firearm | 1 | 4 |
| Threatened to assault and verbal abuse | 1 | 4 |
| Leaving slaughter line and verbal abuse | 1 | 4 |
| Cases withdrawn | 3 | 13 |
| **TOTAL** | **23** | **100** |

**TABLE 10.4** GRIEVANCES LODGED

| Number of grievances addressed | Number | % of total |
|---|---|---|
| Resolved | 7 | 87,5 |
| Not resolved | 1 | 12,5 |
| **TOTAL** | **8** | **100** |

**TABLE 10.5** DISPUTES LODGED

| Number of disputes addressed | Number | % of total |
|---|---|---|
| Upheld | 0 | 0 |
| Dismissed | 0 | 0 |
| **TOTAL** | **0** | |

**TABLE 10.6** STRIKE ACTIONS

| Strike actions | – |
|---|---|
| Total number of person working days lost | 0 |
| Total cost (R'000) of working days lost | 0 |
| Amount (R'000) recovered as a result of no work no pay | 0 |

**TABLE 10.7** PRECAUTIONARY SUSPENSIONS

| Precautionary suspensions | – |
|---|---|
| Number of people suspended | 2 |
| Number of people whose suspension exceeded 30 days | 2 |
| Average number of days suspended | 68 |
| Cost (R'000) of suspensions | 30 |

## 11. SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

### 11.1 Training needs identified

**TABLE 11.1.1** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ABET | Public speaking | Natural resource management | Financial management | Project management | Management development programme | Seven habits of highly effective people | Meeting procedure and minute taking | Personnel Performance Management System | Legal course for non-jurists | Computer courses MS: Word, Excel, Powerpoint, Outlook |
| Legislators, senior officials and managers | Male | | | | 29 | 16 | | | | 2 | 1 | 7 |
| | Female | | | | 16 | 8 | | | | 1 | 1 | 14 |
| Professionals | Male | | 3 | | 21 | 45 | 2 | | 2 | 5 | 2 | 41 |
| | Female | | 4 | | 15 | 22 | 3 | | 4 | 3 | 1 | 38 |
| Technicians and associate professionals | Male | | | 2 | 24 | 50 | 16 | 5 | | 20 | 28 | 29 |
| | Female | | 1 | 2 | 15 | 19 | 6 | 3 | | 2 | 9 | 19 |
| Clerks | Male | | | | 22 | 15 | 1 | 2 | 3 | 4 | | 38 |
| | Female | | | | 22 | 10 | 1 | 5 | 6 | 9 | | 69 |
| Service and sales workers | Male | | 1 | | | | | | | | | 9 |
| | Female | | 1 | | | | | | | | | 4 |
| Skilled agricultural and fishery workers | Male | | | | | | | | | | | 18 |
| | Female | | | | | | | | | | | 10 |
| Craft and related trades | Male | | | | 1 | 1 | | | | | | 10 |
| | Female | | | | | | | | | | | |
| Plant and machine operators and assemblers | Male | 23 | | | | | | | | | | 45 |
| | Female | 6 | | | | | | | | | | 4 |
| Elementary occupations | Male | 81 | | | | | | | | | | 20 |
| | Female | 12 | | | | | | | | | | 7 |
| **SUBTOTAL** | | **122** | **10** | **4** | **165** | **186** | **29** | **15** | **15** | **46** | **42** | **382** |
| **TOTAL** | | | | | | | | | | | | **1 016** |

**TABLE 11.1.2** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | MSC/ MSD | Laboratory management/ practices | Research management methodology | Import/ Export control | Quality procedures/ management | Phyto-certification | Planning and organising | Supervision | Public relations | Labour law |
| Professionals, senior officials and managers | Male | 1 | 3 | | | 2 | | | 2 | | |
| | Female | | 2 | | | | | | 1 | | |
| Technicians and associate professionals | Male | 1 | 22 | 3 | 8 | 16 | | | 4 | 1 | 2 |
| | Female | 2 | 22 | | 2 | 8 | | | | 1 | 2 |
| Technical support personnel (agric) | Male | | 1 | | | | 5 | 3 | | 10 | |
| | Female | | 1 | | | | 10 | | | 2 | |
| Service and sales workers | Male | | | | | | | | 2 | | |
| | Female | | | | | | | | 1 | | 2 |
| Administrative office workers | Male | | | | | | | 3 | 1 | 1 | |
| | Female | | 1 | | | 1 | | 1 | 3 | 2 | |
| Craft and related trades | Male | | | | | | | | 2 | | |
| | Female | | | | | | | | | | |
| Plant and machine operators and assemblers | Male | | | | | | | | 15 | | |
| | Female | | | | | | | | 3 | | |
| Elementary occupations | Male | | 1 | | | 1 | | | 20 | | |
| | Female | | | | | | | | | | |
| **SUBTOTAL** | | **4** | **53** | **3** | **10** | **43** | **3** | **4** | **66** | **5** | **6** |
| **TOTAL** | | | | | | | | | | | 197 |

**TABLE 11.1.3** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Hazard Analysis Critical Control Points | Good agricultural practices | Good manufacturing practices | Wine certificate | Wine diploma | Assertiveness | Speed reading with comprehension | Motivational skills | Advanced skills on ITC |
| Professionals, senior officials and managers | Male | 1 | 1 | 1 | 1 | 1 | | | | 1 |
| | Female | | | | | | | | | |
| Technicians and associate professionals | Male | 3 | 2 | 2 | | | | 2 | 1 | |
| | Female | 1 | 1 | 1 | | | 2 | 1 | 3 | |
| Technical support personnel (agric) | Male | | | | | | | | | |
| | Female | | | | | | 1 | | | |
| Administrative office workers | Male | | | | | | | | | |
| | Female | | | | 1 | | 4 | | | |
| Elementary occupations | Male | | | | | | | | | |
| | Female | | | | | | | | | |
| **SUBTOTAL** | | **5** | **4** | **4** | **2** | **1** | **7** | **3** | **4** | **1** |
| **TOTAL** | | | | | | | | | | **31** |

**TABLE 11.1.4** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Orientation | Verbal/ written communication skills | SANSOR phyto-mentoring | Negotiation and influencing skills | Legal aspects | Cleaning and maintenance | Irrigation skills | Grafting and building | BAS |
| Professionals, senior officials and managers | Male | | 2 | | 3 | 1 | | | | 1 |
| | Female | | 4 | | 2 | | | | | |
| Technicians and associate professionals | Male | | 9 | 4 | 13 | 7 | | | | |
| | Female | | 7 | 1 | 4 | 2 | | | | 2 |

**TABLE 11.1.4** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS *(CONTINUED)*

| Occupational group | Gender | Training needs identified | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Orientation | Verbal/ written communi-cation skills | SANSOR Phyto-mentoring | Negotiation and influencing skills | Legal aspects | Cleaning and mainte-nance | Irrigation skills | Grafting and building | BAS |
| Technical support personnel (agric) | Male | | 4 | | | | | | | 2 |
| | Female | | 2 | | | | | | | 1 |
| Administrative office workers | Male | | 5 | | | | | | | 4 |
| | Female | 1 | 1 | | | | | | | 8 |
| Elementary occupations | Male | | 2 | | | | 16 | 9 | 11 | |
| | Female | | | | | | | | | |
| **SUBTOTAL** | | **1** | **36** | **5** | **22** | **10** | **16** | **9** | **11** | **18** |
| **TOTAL** | | | | | | | | | | **120** |

**TABLE 11.1.5** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Report writing | Inter-personal skills | Leader-ship | Conflict manage-ment | Environ-mental law | Plant identifi-cation | Advanced wetland course | Holistic manage-ment | Time manage-ment | Team building | Pruning | Govern-ment transport | Photo-shop | Corel-Draw |
| Legislators, senior officials and managers | Male | 3 | 1 | 3 | 9 | | | | 8 | 11 | 1 | | 1 | | |
| | Female | | | | 5 | | | | | 9 | 4 | | | | |
| Professionals | Male | 14 | 4 | 6 | 11 | | | | 1 | 22 | | | | | |
| | Female | 11 | 5 | 4 | 16 | | | | | 20 | | | 1 | 1 | 1 |
| Technicians and associate profes-sionals | Male | 17 | 10 | 1 | 15 | 13 | 11 | 7 | 10 | 23 | | | | | |
| | Female | 3 | 1 | 1 | 2 | 3 | 3 | 2 | 6 | 13 | | | 1 | 1 | 1 |
| Clerks | Male | 3 | 1 | 7 | 7 | | | | 2 | 15 | | | 1 | | |
| | Female | 18 | 20 | 17 | 7 | | | | 3 | 12 | 1 | | 1 | | |

**TABLE 11.1.5** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS *(CONTINUED)*

| Occupational group | Gender | Training needs identified | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Report writing | Inter-personal skills | Leader-ship | Conflict manage-ment | Environ-mental law | Plant identifi-cation | Advanced wetland course | Holistic manage-ment | Time manage-ment | Team building | Pruning | Govern-ment transport | Photo-shop | Corel-Draw |
| Service and sales workers | Male | | | | | | | | | 8 | | | | | |
| | Female | | | | | | | | | | | | | | |
| Skilled agricultural and fishery workers | Male | | | | | | | | | 9 | | | | | |
| | Female | | | | | | | | | | | | | | |
| Craft and related trades | Male | | | | | | | | | 4 | | | | | |
| | Female | | | | | | | | | | | | | | |
| Plant and machine operators and assemblers | Male | | | | | | | | | 11 | | | | | |
| | Female | | | | | | | | | 1 | | | | | |
| Elementary occupations | Male | | | | | | | | | 15 | | 2 | | | |
| | Female | | | | | | | | | 4 | | | | | |
| **SUBTOTAL** | | **69** | **41** | **39** | **72** | **16** | **14** | **9** | **30** | **177** | **6** | **2** | **5** | **2** | **2** |
| **TOTAL** | | | | | | | | | | | | | | | **484** |

**TABLE 11.1.6** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial accounting | Statistics and data analysis | Business communi-cation: verbal and written | Generic agri-cultural skills | Present-ation skills | Economics policy knowl-edge and analysis | Agricul-tural sector manage-ment | Problem solving and decision making | Logistics I | Logistics II |
| Legislators, senior officials and managers | Male | | | 4 | 2 | 5 | 3 | 3 | 3 | 1 | 1 |
| | Female | | | 3 | 3 | 6 | 2 | 4 | 3 | | |
| Professionals | Male | | 17 | 14 | 1 | 11 | 16 | 9 | 10 | | 1 |
| | Female | 1 | 18 | 19 | 3 | 10 | 12 | 14 | 9 | 1 | 2 |
| Technicians and associate professionals | Male | | 1 | 16 | 10 | 5 | | 75 | 12 | 1 | 2 |
| | Female | | | 6 | 6 | | | 5 | 4 | | 1 |

**TABLE 11.1.6** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS *(CONTINUED)*

| Occupational group | Gender | Training needs identified | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial accounting | Statistics and data analysis | Business communication: verbal and written | Generic agricultural skills | Presentation skills | Economics policy knowledge and analysis | Agricultural sector management | Problem solving and decision making | Logistics I | Logistics II |
| Clerks | Male | 7 | 2 | 3 | 4 | | 2 | 2 | 2 | 13 | 12 |
| | Female | 13 | 6 | 19 | 15 | 1 | 6 | 7 | 7 | 14 | 19 |
| Service and sales workers | Male | 11 | | | 1 | | | | | | |
| | Female | 21 | | | | | | | | | |
| Skilled agricultural and fishery workers | Male | | | | 4 | | | | | | |
| | Female | | | | 8 | | | 4 | | | |
| Craft and related trades | Male | | | | | | | 9 | | | |
| | Female | | | | | | | | | | |
| **SUBTOTAL** | | **53** | **44** | **84** | **57** | **38** | **41** | **132** | **50** | **30** | **38** |
| **TOTAL** | | | | | | | | | | | **567** |

**TABLE 11.1.7** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Organisational development | Cultural diversity | Office management | Change management | GIS | Procurement | Quality management | Corporate governance | Warehousing | Stores management | Fleet management |
| Legislators, senior officials and managers | Male | 4 | 4 | 4 | | | | | 1 | | | 1 |
| | Female | 2 | 2 | 4 | 2 | 1 | | 1 | 2 | | | |
| Professionals | Male | 9 | 9 | 9 | | | 1 | | | | 1 | |
| | Female | 10 | 8 | 10 | | | 1 | 2 | | 2 | 3 | |
| Technicians and associate professionals | Male | | | 4 | 2 | | | 2 | | | | 1 |
| | Female | | | 3 | 1 | | | 3 | | 1 | 1 | |

**TABLE 11.1.7** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS *(CONTINUED)*

| Occupational group | Gender | Training needs identified | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Organisational development | Cultural diversity | Office management | Change management | GIS | Procurement | Quality management | Corporate governance | Warehousing | Stores management | Fleet management |
| Clerks | Male | 2 | 2 | 3 | | | 2 | | | 3 | 4 | 1 |
| | Female | 8 | 6 | 11 | 1 | | 3 | | | 3 | 4 | |
| Service and sales workers | Male | | | | | | | | | | | |
| | Female | | | 1 | 1 | 1 | | | | | | |
| **SUBTOTAL** | | **35** | **31** | **49** | **7** | **2** | **7** | **8** | **3** | **9** | **13** | **3** |
| **TOTAL** | | | | | | | | | | | | **167** |

**TABLE 11.1.8** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Service level agreements | Batho Pele | Customer services | HRD knowledge broadly | Messenger and mailroom | Telephone etiquette | Accounts for secretaries | PPRI/ARC insect skills | Asset management | Transit management |
| Legislators, senior officials and managers | Male | 3 | | 4 | 3 | | | | | 1 | |
| | Female | | 1 | 3 | | | | | 1 | | |
| Professionals | Male | | 1 | 5 | | | | | 1 | | |
| | Female | | | 7 | 1 | | 1 | 1 | 1 | 1 | 2 |
| Technicians and associate professionals | Male | 3 | | 6 | 3 | | | | | 1 | |
| | Female | | 2 | 4 | | | | | | | 1 |
| Clerks | Male | | 2 | 14 | | | | | | 1 | 3 |
| | Female | 1 | 1 | 14 | 1 | | | | | 1 | 3 |
| Elementary occupations | Male | | | | | 1 | | | | | |
| | Female | | | | | | | | | | |
| **SUBTOTAL** | | **7** | **7** | **57** | **8** | **1** | **1** | **1** | **3** | **5** | **9** |
| **TOTAL** | | | | | | | | | | | **99** |

**TABLE 11.1.9** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Public administration | Insolvency and conveniencing | SANSOR training programme | Language proficiency | Occupational health and safety | Vehicle handling and maintenance | Compressors and welding | Driving skills | Lithographic plate making | Printing production QC | Digital editing |
| Legislators, senior officials and managers | Male | | 1 | | | | | | | | | |
| | Female | | 6 | | | | | | | | | |
| Professionals | Male | | | 1 | 3 | | | | | | | |
| | Female | | | 1 | 3 | | | | | | | |
| Technicians and associate professionals | Male | | | 1 | 5 | | | | | | | |
| | Female | | | | 1 | | 1 | | | | | |
| Clerks | Male | | 9 | | 3 | 1 | | | | | | |
| | Female | 7 | 9 | | 3 | | | | | | | |
| Service and sales workers | Male | | | | 1 | 20 | | | 1 | | | |
| | Female | | | | | 38 | | | | | | |
| Skilled agricultural and fishery workers | Male | | | 4 | | | | 5 | | | | |
| | Female | | | 8 | | | | | | | | |
| Craft and related trades | Male | | | | | | 8 | 9 | | 1 | | 1 |
| | Female | | | | | | | | | | | |
| Plant and machine operators and assemblers | Male | | | | | | 8 | 77 | | | | |
| | Female | | | | | | | | | 1 | 9 | |
| Elementary occupations | Male | | | | | 2 | 27 | 26 | 53 | | | |
| | Female | | | | | 25 | 6 | | | | | |
| **SUBTOTAL** | | **7** | **25** | **15** | **19** | **86** | **50** | **117** | **54** | **2** | **9** | **1** |
| **TOTAL** | | | | | | | | | | | | **385** |

**TABLE 11.1.10** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Import export management and procedures | Webmaster | Leadership | R.R. procedures | Employee mentoring | Strategic planning | Policy development | Labour relations and conflict management | Human resources management | Trade maps |
| Legislators, senior officials and managers | Male | | | 2 | | 1 | 2 | 1 | 1 | | |
| | Female | | | | | | | | | | |
| Professionals | Male | 1 | 1 | | | | | | | 2 | 4 |
| | Female | 2 | | | | | | | | 3 | 2 |
| Technicians and associate professionals | Male | | | | | | | | | | |
| | Female | | | | | | | 1 | | 1 | |
| Clerks | Male | | | | | | | | | 2 | |
| | Female | | | | 1 | | | | | 2 | |
| Elementary occupations | Male | | | | | | | | | | |
| | Female | | | | | | | | | | |
| **SUBTOTAL** | | **3** | **1** | **2** | **1** | **1** | **2** | **2** | **1** | **10** | **6** |
| **TOTAL** | | | | | | | | | | | **29** |

**TABLE 11.1.11** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS

| Occupational group | Gender | Training needs identified | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ICDL | Project 2000 | WTO agreement on agric and GATT | Personal finance management | IT security | Trade agreements admin | Lateral thinking skills | Secretarial | Small stock management | Basic farm management | Business management | Co-op development |
| Legislators, senior officials and managers | Male | 1 | 1 | | | 1 | | 1 | | | | | |
| | Female | | | | | | | | | | | 2 | 2 |
| Professionals | Male | 1 | 1 | 3 | 2 | 1 | 3 | 2 | 3 | | | 2 | 2 |
| | Female | | | 2 | | | 2 | 1 | | | | | |
| Technicians and associate professionals | Male | 4 | 4 | | | 4 | | 4 | | | | 3 | 3 |
| | Female | 5 | 5 | | | 5 | | 5 | | | | 3 | 3 |
| Clerks | Male | | | | | | | | | | | 12 | 12 |
| | Female | 2 | 2 | | | 2 | | | | | | 6 | 6 |
| Service and sales workers | Male | | | | | | | | | 3 | | | |
| | Female | | | | | | | | | | | | |
| Skilled agricultural and fishery workers | Male | | | | | | | | | 21 | 13 | | |
| | Female | | | | | | | | | 2 | 1 | | |
| Plant and machine operators and assemblers | Male | | | | | | | | | 12 | 25 | | |
| | Female | | | | | | | | | | 4 | | |
| Elementary occupations | Male | | | | | | | | | 65 | 38 | | |
| | Female | | | | | | | | | 4 | 2 | | |
| **SUBTOTAL** | | **13** | **13** | **5** | **2** | **13** | **5** | **13** | **3** | **107** | **83** | **28** | **28** |
| **TOTAL** | | | | | | | | | | | | | **313** |

**TABLE 11.1.12** ALL EMPLOYEES REQUIRING TRAINING – ACCORDING TO OCCUPATIONS AND TRAINING NEEDS (MINISTRY)

| Occupational group | Gender | Training needs identified | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Journalism training | Personnel management and protocol management | General administration meeting procedures | English practice | BAS tools | Printing RPL | Printing apprenticeship | Guillotining |
| Media liaison | Male | | | | | 1 | | | |
| | Female | 1 | | | | | | | |
| Personal assistants | Male | | | | | | | | |
| | Female | | 2 | | | | | | |
| Parliamentary services | Male | | | 1 | | | | | |
| | Female | | | | | | | | |
| Secretaries | Male | | | | | | | | |
| | Female | | | | 2 | | | | |
| Registry clerk and messenger | Male | | | | 1 | | 3 | 2 | 1 |
| | Female | | | | 1 | | | | |
| **SUBTOTAL** | | **1** | **2** | **1** | **4** | **1** | **3** | **2** | **1** |
| **TOTAL** | | | | | | | | | **15** |

**TABLE 11.2** TRAINING PROVIDED

| Occupational categories | Gender | Employment | Learnerships | Skills programmes and other short courses | Other forms of training | Total |
|---|---|---|---|---|---|---|
| Legislators, senior officials and managers | Male | | | 14 | | |
| | Female | | | 10 | | |
| Professionals | Male | | | 56 | | |
| | Female | | | 26 | | |

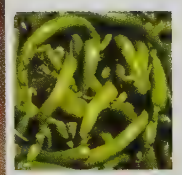


**TABLE 11.2** *TRAINING PROVIDED (CONTINUED)*

| Occupational categories | Gender | Employment | Learnerships | Skills programmes and other short courses | Other forms of training | Total |
|---|---|---|---|---|---|---|
| Technicians and associate professionals | Male<br>Female | | | 157<br>163 | | |
| Clerks | Male<br>Female | | | 120<br>175 | | |
| Service and sales workers | Male<br>Female | | | 67<br>30 | | |
| **TOTAL** | | | | | | **818** |

## 12. INJURY ON DUTY

The following tables provide basic information on injury on duty.

**TABLE 12.1** INJURY ON DUTY

| Nature of injury on duty | Number | % of total |
|---|---|---|
| Required basic medical attention only | 34 | 97,1 |
| Temporary total disablement | 0 | 0 |
| Permanent disablement | 1 | 2,9 |
| Fatal | 0 | 0 |
| **TOTAL** | **35** | **100** |

## 13. UTILISATION OF CONSULTANTS

**TABLE 13.1** *REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS*

| Project title | Total number of consultants who worked on the project | Duration: work days | Contract value in Rand |
|---|---|---|---|
| Karnal bunt survey | 1 | 120 | 228 000 |
| Biosystematics: pest identification | 1 | 240 | 170 000 |
| Financing mechanisms for agricultural research | 2 | 60 | 25 000 |
| Draft elements for policy on extension services | 1 | 45 | 20 000 |
| Strategic planning framework | 1 | 150 | 32 564 |
| Directorate's business plan | 1 | 60 | 42 000 |
| Project management framework | 1 | 60 | 90 003 |
| Project management system survey | 1 | 30 | 51 414 |
| CASP presentation in Cape Town | 1 | 30 | 2 223 |
| Empowerment study | 6 | 108 | 270 000 |
| Excellence model | 1 | Work in process | 196 504 |
| SMME strategy (draft) | 1 | 8 | 14 000 |
| Agribusiness policy | 1 | 90 | 10 000 |
| AgriBEE policy | 1 | 1 | 4 500 |
| AgriBEE (workshop with stakeholder groups) | 1 | 5 | 17 469 |
| Grain strategy | 1 | 90 | 27 500 |
| Conducting of safety analysis of an article 2 dam (Sondela dam) | 1 | 30 | 145 269 |
| Facilitation of the disposal plan for Sondela sugar cane | 4 | 30 | 165 801 |
| Developing and disposal of Ncera agricultural project | 5 | 90 | 683 544 |

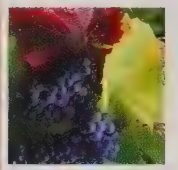
**TABLE 13.1** REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS *(CONTINUED)*

| Project title | Total number of consultants who worked on the project | Duration: work days | Contract value in Rand |
|---|---|---|---|
| Conducting safety analysis of the Lorna Dawn dam | 1 | 30 | 198 325 |
| Development of a programme design document for the Technical Assistance Programme for Africa | 2 | 14 | 29 070 |
| Advisory service to DoA on event management in preparation for the Hosting of 23rd FAO Africa Regional Conference | 1 | 8 | 9 300 |
| LandCare Programme Manager | 1 | 240 | 400 000 |
| ISDA – PMRG visit | 1 | 10 | 15 000 |
| D. Malan | 1 | 30 | 117 000 |
| **Total number of projects** | **Total individual consultants** | **Total duration: work days** | **Total contract value in Rand** |
| 25 | 38 | 1 579 | 2 964 486 |

**TABLE 13.2** ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, I.T.O. HISTORICALLY DISADVANTAGED INDIVIDUALS

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---|---|---|---|
| Development of a programme design document for the Technical Assistance Programme for Africa | 70 | 70 | 1 |
| Advisory service to DoA on event management in preparation for the Hosting of 23rd FAO Africa Regional Conference | 100 | 100 | 1 |

No consultants were appointed using donor funds during the report period.



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